

In Saudi View, U.S. Hops From One Fiasco to Next

By Youssef M. Ibrahim

RIYADH, Saudi Arabia (NYT) — The United States' relationship with Saudi Arabia, once a model of understanding and close coordination, has become clouded with question marks and, from the Saudi perspective at least, many unpleasant surprises.

"We have been observing the United States' actions over the past year and at every turn of events asking ourselves, 'Why are they doing this?'" said a Saudi deputy minister who is a senior spokesman for the government here. "People out there are beginning to wonder if the Americans know what they are doing."

The questions, he said, were many. "Why is the United States stepping from one fiasco to another?" In Ethiopia, in Somalia, in Afghanistan, the United States left the field to the Russians without as much as an attempt to stop them. We persuaded the Somalis to kick the Russians out, and we were stunned when the United States refused to give them weapons with which they could resist a Soviet-inspired aggression from Ethiopia."

Doing It Again

Then, he said, the United States failed to anticipate what happened in Iran or to give advice to the shah until it was too late to rescue the situation. "Now the United States is doing it again," he said. "It is pushing a Middle East peace agreement that is bound to fail. When this happens — and we have told the Americans that it will happen — it will only add to the unrest in this region and further damage America's real interests."

He said that Saudi Arabia was only "mildly impressed" with the U.S. action in supporting Yemen against its Marxist neighbor, Southern Yemen, adding that "it took a long time to get some movement there and a lot of prodding."

Saudi officials who are critical of the U.S. policy here, however, point out that they speak from genuine concern for what they say are "the mutual interests of Saudi Arabia and the United States."

Still Allied

For despite the fireworks in relations between the two countries in recent months, the Saudi Arabians still perceive themselves as close allies of the West and particularly of the United States.

This alliance is underlined by tangible evidence all over this oil-producing kingdom. There are about 35,000 U.S. citizens in Saudi Arabia, more than anywhere else in the Middle East since the departure of more than 40,000 U.S. citizens from Iran.

U.S. companies have millions of dollars worth of contracts here. The Army Corps of Engineers is supervising nearly \$20 billion in civilian and military construction. And Saudi Arabia's oil wealth is being

managed and marketed by U.S. oil companies.

So, despite the misunderstandings, officials here stressed clearly that the disagreement should not be overemphasized. "At present we are not contemplating any changes in our relationship with the United States," the deputy minister said.

But the Saudi Arabians suggest that the U.S. actions are becoming harder to understand and even harder to explain. They say that the

U.S. pursuit of what they describe as a "separate peace agreement between Egypt and Israel" is embarrassing them in front of other Arabs. They find themselves increasingly unable to counter hostile reactions from other Arab nations, they complain.

One important manifestation of this problem will occur when Egypt and Israel sign their peace agreement. Arab nations, including Saudi Arabia, agreed at a summit con-

ference in Baghdad in November to impose sanctions on Egypt, which was not present, when a treaty was signed.

Saudi officials say they will try to hold back the most radical Arab countries after the signing, but will go along with some sanctions against Egypt. "We do not want to punish the Egyptian people because our relationship with Egypt is a historical one and must continue despite individual policy

decisions," the Saudi deputy minister said. His reference to individual decisions was aimed at the Egyptian president, Anwar Sadat, who has been in disfavor here since his trip to Jerusalem in November, 1977.

Meanwhile, the Saudi Arabians hope that strong Arab reaction against the treaty will convince President Carter that it is inadequate. They are particularly disconcerted by the absence of assurances that the Palestinians will have a homeland of their own or that Jerusalem's Old City will return to Arab control. They say they know that President Carter is sincere when he says he will work until Palestinian autonomy is assured and a way is opened for some kind of Palestinian entity, but they also believe his view to be naive.

Saudi Assurance Reported

KUWAIT, March 21 (AP) — A Kuwaiti newspaper reported today that King Khalid and Crown Prince Fahd of Saudi Arabia have assured Egypt that it would continue to receive Saudi economic aid after the signing of an Egyptian-Israeli peace treaty.

Quoting Egyptian presidential sources, the daily Al-Watatan said that the Saudi assurance was conveyed to Vice President Hosni Mubarak of Egypt by Prince Fahd during their recent meeting in Riyadh.

According to the report, Prince Fahd said that political relations between the two countries would not be altered substantially by the treaty.

Meanwhile, King Hussein of Jordan arrived today in Riyadh to coordinate policies with Saudi Arabia with regard to the Egyptian-Israeli treaty, Riyadh radio reported.

Hussein Cites U.S. Treaty 'Arm-Twisting'

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saying, "If not, they won't be." This has been the general line. Expressing his anger at such tactics, King Hussein said: "For the first time the Americans asked us to keep quiet, please. 'Don't make any statements or noise that could affect the peace process.' Obviously, we resent it. We never heard such an approach before — maybe because we were the only ones [in the Arab world] defending the concept of relations with the United States."

The king's patience also was strained by U.S. suggestions that the Egyptian-Israeli treaty could entice Jordan, Saudi Arabia and other Gulf moderates into some sort of regional security arrangement with the Jewish state against Soviet and radical encroachments. Washington sees in the Middle East.

The king made clear that Israeli occupation of Arab land and "expansionism" were the dominant threats perceived in Arab capitals. In apparent allusion to the Brzezinski mission, King Hussein said, "We asked which threats are we facing? Zionism or Communism? Where does Israel fit into this threat?"

Reiterating his stand that "we have no intention of joining negotiations on West Bank and Gaza Strip autonomy, 'unless we know the end results,'" King Hussein saw worsening bilateral relations ahead with Washington.

For King Hussein, "end results" meant total Israeli evacuation of occupied territories, return of Arab Jerusalem and the right of Palestinian self-determination, which could lead to a sovereign West Bank state.

Causing the friction with Washington, he said, will be the Arab world's decisions at a planned Arab League foreign and economic ministers' meeting to implement action against Egypt decided on at the Baghdad summit. Expelling Egypt from the league, removing the league's capital from Cairo and

boycotting economic dealings with Israel firms using Egyptian partners were the main issues, he said.

He also predicted that Saudi Arabia, which finances the Egyptian economy with about \$1.5 billion annually, would cut off funds earmarked for military use.

These punitive measures, King Hussein said, are likely to lead to a backlash in Washington. "The United States unfortunately will consider these actions as actions against the United States and its policies," he said, "and this could cause a deterioration of our relations with the United States for a long time to come — for Jordan and the rest of the Arabs."

Jordan and other Arab states should build their military strength, cultivate Western Europe, try to get the Middle East question back into the United Nations Security Council and wait until the United States sees the error of its current policy, King Hussein said.

"Sadly, despite my total confidence in the sincerity of the president and Washington, the United States is in an almost impossible position," he said.

Knesset Has Pact Debate

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collaborate with the PLO [Palestine Liberation Organization]."

Mr. Begin put an end to the bickering by saying there were "slight differences" between the texts, but nothing serious. He explained that the Knesset had been given the most recent draft available yesterday, because the final text did not arrive from the U.S. military attaché until last night, and that new copies would be distributed as soon as they could be duplicated.

As for the dispute over the word "inhabitants," Mr. Begin said that it appeared in all the Camp David documents and would remain in the treaty.

Mr. Begin was critical of the State Department, saying there was no reason for the United States to be so quick to publicly challenge an Israeli text without first talking with the government about it.

Meanwhile, some of the members spoke against the treaty did so vociferously, and a few of them threatened to quit their parties rather than cast "yes" votes.

Deputy Ejected in Cairo

CAIRO, March 21 (UPI) — Parliament voted today to eject a left deputy who attempted to take the floor to denounce declarations by Prime Minister Begin.

Deputy Ahmed Nasser refused to leave the chamber, but was finally persuaded by a colleague to walk out.

Two Germans Confess

Plot to Kidnap Brandt

KARLSRUHE, West Germany, March 21 (Reuters) — Two German neo-Nazi confessed yesterday that they planned to kidnap former Chancellor Willy Brandt and federal prosecutor Kurt Rebmann, a spokesman for Mr. Rebmann said.

He said that the men, who were not identified, told police who detained them that they had intended to swap Mr. Brandt and the prosecutor for neo-Nazis imprisoned on charges of conspiring to form a criminal organization.

Planes Demonstrated

Defense Minister Kamal Hassan Ali of Egypt flew to Nellis Air Force Base in Nevada yesterday to observe demonstrations of various military planes.

At a meeting Monday, Mr. Brown informed Gen. Ali that the United States had decided against Egypt's request to purchase 300 F-16 fighter-bombers. U.S. defense

U.S. Said to Approve Israeli Arms Bid

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officials said that the sale of F-16s to Egypt would be tantamount to the momentum of the peace agreement and might "upset a balance in the Middle East, not so much regarding Israel but other countries, such as Libya."

Mr. Brown told Gen. Ali, however, that the United States did "consider" selling Egypt a plane somewhat more advanced than the F-5. The United States promised 50 F-5Es to Egypt last year in a controversial package that included the sale of 75 F-16s to Israel and of 60 F-15s to Saudi Arabia.

Administration sources said that the United States was willing to sell F-4 Phantom fighter-bombers to Egypt to replace the country's aging fleet of Soviet MiGs. The jet fighters, which were the backbone of the U.S. Air Force effort in the Vietnam War, are capable of delivering relatively heavy loads of nuclear or non-nuclear weapons and carry Sparrow or Sidewinder missiles.

The refusal to sell Egypt the F-16 — the standard lightweight NATO

fighter — was announced as Mr. Brown told Israeli Defense Minister Ezer Weizman that the United States had agreed to speed up the delivery of F-16s to Israel, with the first delivery scheduled early next year instead of in late 1981.

Administration officials said that President Carter largely had approved Israel's post-treaty arms requests. The requests endorsed by Mr. Carter included 200 M-60 tanks, 800 armored personnel carriers, 200 artillery pieces with 175mm cannons, 600 Maverick air-to-ground missiles and 600 Sidewinder air-to-air missiles.

Traditionally, the United States has given Israel beneficial payment terms for weapons. Military aid to Israel, which totals \$1.8 billion this year, includes grants and loans.

Italy's new three-party minority government was sworn in today by President Sandro Pertini.

Headed by Premier Giulio Andreotti, who succeeded himself, the government is widely regarded as temporary and doomed to fall at its first parliamentary test.

Among the 21 cabinet ministers sworn in today, three are Republicans and four Social Democrats. All the others are members of Mr. Andreotti's Christian Democratic Party, which has headed every Italian government since World War II.

S. African Bribes Told

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we would have noticed, and he sent me out in June, 1973, to borrow money from a bank to finance our special election newspaper," Tor Pether Krosby, Mr. Lange's secretary at the time, said that Mr. Lange had told him in April, 1973, just before the party was established, that he had received a 20,000-kroner "gift" from an unidentified foreign source.

Mr. Rhodde alluded to his ministry's activities in Britain during the television interview. He said that he had "used money to persuade politicians and some newspaper people" in several countries to back South Africa or to take a less hostile line toward it.

Mr. Rhodde told Mr. Dimbleby that he had documents bearing the signatures of South African Cabinet ministers authorizing his projects, which he had "safely locked away in a bank vault somewhere in Europe." With it, he said, is "documentation summarizing all of the secret projects which the government has undertaken over the last five years including the current project, and that includes the code numbers, code names, the file numbers, the amounts of money spent, names of people, who received what."

He indicated that he intended to use the documents as a weapon to guarantee his safety as well as that of his family.

Link to Deaths Denied

JOHANNESBURG, March 21 (UPI) — South African government officials today strongly denied allegations linking the nation's information scandal to the 1977 assassinations of a political candidate and his wife.

Prime Minister Pieter Botha said that the scandal had no connection with the murders of Robert and Cora Smi.

Mulder Responds

JOHANNESBURG, March 21 (Reuters) — Former Information Minister Cornelius Mulder today stepped out briefly from the political darkness to which he was consigned by South Africa's information scandal to reject allegations that the Cabinet knew about the affair.

According to a statement issued by the leaders of the ruling National Party, Mr. Mulder said today that the Cabinet was first informed of the Mulder project last Sept. 26, after Mr. Vorster had announced that he was resigning as premier for health reasons.



CRUSHING PROTEST — Members of the Friends of the Earth, an ecology group, trundle a millstone across Whitehall in London as part of a protest yesterday against the construction of a nuclear plant in Torness, Scotland. They delivered it to the Scotland office.

Border Sensors Proposed for Namibia

By Michael Berlin

UNITED NATIONS, N.Y., March 21 (UPI) — The Western attempt to salvage a United Nations plan for Namibian independence was kept alive yesterday by a U.S. offer to provide UN forces with electronic sensors to help monitor the territory's borders.

The "proximity talks" held here on the ministerial level recessed for at least a week to allow South Africa, the various Namibian national-

ist groups and the African "frontline" states to consider a working paper on monitoring put forward by U.S. Secretary of State Cyrus Vance.

They will also consider Western clarifications of the other outstanding issue, the disposition of nationalist guerrilla forces inside Namibia, which is known as South-West Africa.

South African Foreign Minister P. W. Botha told the Western negotiators during a 24-hour meeting that he would have to take the proposals to his government and would provide an answer in a week to 10 days, according to participants in the talks.

Some of the Western delegations seemed optimistic that the differences over the mineral-rich territory were now "bridgeable," as British Foreign Secretary David Owen put it.

Mr. Vance said, after briefing UN Secretary-General Kurt Waldheim on the progress of the talks, "Yes, we're closer, but we've got a long way to go." He said that negotiations would resume at the ministerial level if necessary.

Mr. Botha said that there was "no change in the prospect for agreement. It is not close at hand. Severe difficulties have to be overcome."

U.S. officials also cautioned that "the big issue remains the political will of South Africa." The differences themselves are less important than the political decision in Pretoria on whether to let the UN plan go through and leave the fate of the territory which has been administered by South Africa since 1920 to an electoral process outside South African control, the Americans said.

The meeting with the front-line states and the leading liberation movement, the South-West Africa Peoples' Organization, which followed the session with Mr. Botha, produced an "encouraging response," a Canadian official said. "The issues have narrowed. There is improvement."

Headman, Wife Killed

WINDHOEK, South-West Africa, March 21 (AP) — A tribal headman and his wife were shot to death Monday in their village in

the northern part of South-West Africa by black nationalists, the South African Defense Force here said today.

A spokesman for the force's South-West Africa command said that the nationalists, armed with submachine guns, also set fire to the village.

There was no statement from SWAPO.

Angola Claims 6 Planes

LONDON, March 21 (Reuters) — The Angolan Defense Ministry said today that its armed forces shot down six South African combat aircraft last week along the border with Namibia.

A ministry communiqué, issued in Luanda, said that the planes were downed March 13 and 14. It said that wreckage from the planes and captured documents would be put on public view.

(There was no statement from South Africa.)

Rigid Rule In Romania

(Continued from Page 1)

China. Where the Russians have broken relations with Israel and occasionally go so far as to equate its government with Hitler's, the Romanians quietly maintain relations with the Israelis and with the hard-line Arabs as well. The links with Israel have an impact on the 40,000 Jews remaining in Romania, the last of a community that numbered 800,000 before World War II. Half were exterminated by the Nazis and most of the rest emigrated to Israel.

Diversified Trade

Integral to Romania's flexibility in foreign policy is diversified foreign trade, which reduces its economic dependence on the Soviet Union. The Romanians receive no Soviet oil, although they have reportedly asked for it to replace dwindling production. They rely on Soviet coal and iron ore and are starting to receive natural gas through a Soviet pipeline.

Still, trade with the Russians amounts to only 28 percent of Romania's foreign dealings, a proportion that has been dropping in recent years as Mr. Ceausescu has turned increasingly to the West. Several joint ventures have been started with Western corporations and the Romanians are seeking joint projects with the United States in Africa and the Middle East. The United States would provide technology, the Romanians cheap labor and political entry.

Some Romanian Communists think that they sense whispers of sympathy for their independent position among their East European neighbors, especially the Poles, Hungarians and East Germans, but they stress that they are not proselytizing. With the 1968 Soviet invasion of Czechoslovakia to mind, they are careful to stress that, as an official put it, "the area of agreement with the Soviet Union is much larger than the area of disagreement," and that they intend to remain firmly in the Warsaw Pact and in Comecon, the Soviet bloc's counterpart of the European Common Market.

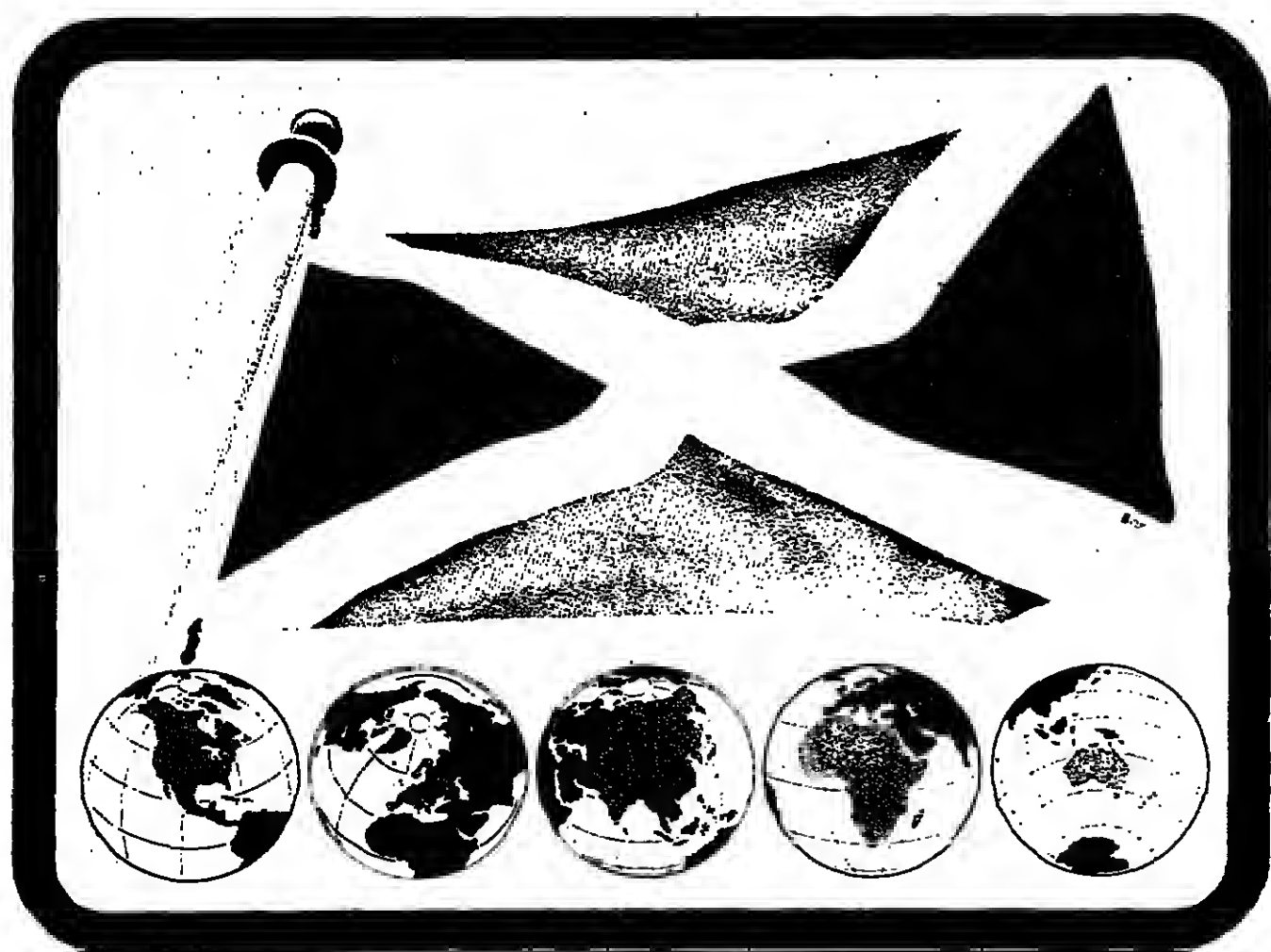
"If we took a position against the Soviet Union or against the interests of the Soviet Union," a high-ranking Romanian said, "then we would approach a limit." He meant a limit of Soviet tolerance. "But we have no inclination to do so," he added.

Premier Quits In Morocco

RABAT, Morocco, March 21 (AP) — Premier Ahmed Osman unexpectedly resigned today after more than six years as head of the government.

An announcement said that King Hassan II "received Premier Osman, who presented his resignation and expressed the wish to devote himself to the reorganization of the [government] Party of Independents."

Hassan asked Mr. Osman to remain as caretaker premier until a new chief of government is appointed. There was no immediate indication of who the king would choose.



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78 Tax-Law Intent Seen Reversed

New IRS Rules Attacked
Covering Citizens Abroad

By Robert C. Sinter

WASHINGTON, March 21 (IHT) — Proposed Internal Revenue Service regulations could reverse the intent of the 1978 congressional revision of tax laws governing U.S. citizens abroad, the construction industry has charged.

In comments filed with the IRS, the Tax Fairness Committee, a lobbying arm of the construction and engineering industry, argued that in addition to ignoring the intent of Congress the new regulations require needless amounts of paperwork and create "unrealistic withholding procedures." It also contended that the cost-of-living deduction tables bear "little resemblance to reality" in many instances.

Specifically, the IRS has issued rules for filing individual returns (Publication 54 — Tax Guide for U.S. Citizens Abroad) using the new special deductions for housing, education and cost of living. The Tax Fairness Committee argues that the rules, as set forth, require unnecessary amounts of record-keeping both for individuals and the firms that employ them to document deductions.

It further contends that the wording in many instances is ambiguous — just what constitutes "reasonable costs," for example, is open to interpretation — and that the rules for withholding do not take the new deductions into sufficient account, causing many persons to pay too much in withholding taxes.

Lack of Consultation

The committee expressed the opinion that these general problems were the result of a lack of adequate consultation with those who are most affected by them.

It noted that because of the short time involved — the filing deadline was March 16 — and the lack of access to necessary information, its comments could be couched only in the most general terms. It called on the IRS to "consider establishing a process that will permit regular, ongoing, face-to-face consultations between representatives of

our industry . . . and other industries in shaping a reworking of the regulations over the next few months."

The group also asked that a public hearing be held before any regulations are adopted.

In presenting its comments, the committee said that the 1976 Tax Reform Act had increased the cost of keeping U.S. citizens abroad to the point where its member firms had to reduce drastically the number of Americans they employed overseas. This in turn led to a drop in business of up to \$6 billion last year.

The committee explained in its filing that this decline, not only for the construction industry but for all U.S. business abroad, and the concomitant worsening of the U.S. balance of trade and payments deficits had led Congress to revise the law last year in "balance considerations of tax equity against competitive realities in the international marketplace."

U.S. Nationals Needed

In order for U.S. business to win its fair share of the overseas markets, the filing continued, it must be able to staff its projects with U.S. nationals.

"We firmly believe," the committee said, "that it was and is the intent of Congress that the Foreign Earned Income Act of 1978 be implemented in such a way as to help improve this nation's exports and to help recapture dollars that are currently flowing out in order to bring oil and other vital resources in."

It is this intent that the regulations not only do not reflect "but, if carried to their logical extreme, will have the effect of virtually reversing" that intent, the committee declared.

The American Chambers of Commerce Abroad also will file statements with the IRS and the chairman of the House of Representatives regional groupings have asked to meet with Treasury Secretary Michael Blumenthal to present their views on the implementation of the tax law.



UNDERGROUND ART — London's Charing Cross tube station has been prettified by artist David Gentlemen. Painting relates the erection of a cross on the site in 13th century.

Carter Is Trying to Block Budget Move

By Warren Weaver Jr.

WASHINGTON, March 21 (NYT) — The White House has committed its political power and prestige to attempt to block the calling by the states of a constitutional convention to require a balanced U.S. budget.

Under instructions from President Carter, a task force with nine members is working to persuade legislatures in a half-dozen or more important states to vote down resolutions asking Congress to summon such a convention.

The president's associates said that he is fully convinced as a matter of principle, that such a convention would threaten to upset the constitutional balance of the government and to destroy the economic capacity of the nation to keep recurrent recessions from deepening into depressions.

But the administration's decision to fight the call for a convention in several states also has significant political implications, pitting the president against Gov. Edmund Brown Jr. of California, a leading

advocate of a balanced budget, in what could become a preview of the next year's Democratic presidential primaries.

Target of Opportunity

The White House denies that its anti-convention campaign is directed at Gov. Brown. "We're doing exactly the same thing if he weren't involved at all," a political aide maintained. But there is no question that he presents a inviting political target of opportunity for Mr. Carter.

Twenty-eight states have approved resolutions urging Congress to call a constitutional convention to consider imposing a balanced budget, and two more are expected to do so shortly. Under the Constitution, Congress must summon such a convention when 34 states request it.

Led by Richard Moe, counsel to Vice President Mondale, the White House task force is telephoning governors and legislative leaders of both parties in states that have not yet acted on the convention issue, urging them to sidetrack or defeat such proposals, to hold the number of supporting states below 34.

Coalition Assailed

Cooperating with the administration campaign is Citizens for the Constitution, a group brought together last week by Lt. Gov. Thomas O'Neill 3d of Massachusetts to lobby against a convention. White House claims that Gov. O'Neill's group is "entirely independent" are regarded as open to some doubt.

The National Taxpayers Union, which is supporting the convention

drive, charged that the Gov. O'Neill's group was composed of "those who benefit from inflationary deficit spending." Attending the coalition's meeting were representatives of labor unions, civil rights and public interest groups.

In deciding to work against the convention, Mr. Carter relied on confidential reports from Charles Schultz, chairman of the Council of Economic Advisers, and Lawrence Tribe of Harvard Law School, a constitutional authority.

Mr. Schultz advised the president that a constitutional amendment making a balanced budget binding "would guarantee that short-lived economic recessions are converted into long-lasting depressions;" that it would be "impossible to administer," and that it would threaten to subject the budget to judicial control.

Mr. Schultz argued that the framers of the Constitution "recognized that mankind cannot predict the future," and that they "resisted saddling us with the specific economic and fiscal measures that were suitable to their own times. We owe our own descendants no less."

Carter Considering Oil-Price Decontrol

By Terence Smith

WASHINGTON, March 21 (NYT) — The Carter administration is actively considering an energy program that would combine the phased lifting of price controls on domestic crude oil with a tax at the wellhead or on oil-company profits. White House officials said yesterday.

President Carter discussed the idea in general terms with congressional leaders at a White House breakfast yesterday morning, according to the House Democratic leader, James Wright of Texas, and promised to provide more details in the next few days.

Such a program, if implemented, would increase the cost of gasoline and home heating oil, but administration officials hope that it also would encourage conservation. A new tax would raise as much as \$15 billion in revenues, and White House strategists are weighing whether that should be returned to the consumer under some sort of rebate scheme.

Mr. Carter is expected to outline his administration's plans to deal with the energy situation in a nationally televised speech, tentatively set for March 29.

'Bold Steps'

In a speech yesterday before the National Press Club here, Hamilton Jordan, the president's top political aide, said that he expected Mr. Carter to announce "bold steps" to deal with the energy situation.

Referring to Monday's daylong administration conference at Camp David, Md., Mr. Jordan said: "The president, with his energy and economic advisers, spent the entire day hearing presentations and analyses of the problems that face this country. He will be making decisions, consulting with Congress, and he will be taking what I think will be described as bold steps to confront the energy crisis."

Mr. Wright said after the breakfast meeting that, although Mr. Carter had not made up his mind on many details of the plan, "he mentioned the possibility of a tax, accompanied by decontrol [of domestic oil] over a period of time."

Mandatory price controls on domestic oil, which average \$3 to \$4 per barrel less than the world price, will end May 31. After that, the president will have the authority to

continue the controls, lift them in stages or end them before Sept. 30, 1981.

It would require congressional approval, however, to impose either a "windfall-profits tax" on the oil companies or a wellhead tax that would equal the difference between the domestic price and the world price.

Senior administration officials stressed today that Mr. Carter had not decided which route to take or whether to impose a tax at all. They said that he intended to take more soundings on Capitol Hill to insure that whatever he proposes will have the enthusiastic support of at least the Democratic leadership.

A congressional battle over a new tax would be a certainty, but the president's advisers believe that the political atmosphere today is different from last year, when the 95th Congress rejected Mr. Carter's crude-oil equalization tax. That proposal would gradually have closed the gap between domestic and foreign oil prices by means of a tax, the revenues of which would have been returned to the consumers in the form of a credit.

A similar fate might await a new tax proposal this year, but Mr. Carter's political strategists believe that even a losing battle on such a popular issue could help the president politically.

Regarding a new tax, the president is likely to choose among the following options:

- A windfall-profits tax, designed to capture the windfall that the oil industry would receive from the decontrol of the prices of oil already discovered and flowing. Administration officials concede that this would be difficult to administer because of the sophisticated accounting techniques of the oil companies, which handle the production, refining and marketing of the product.

- An excess-profits tax, which would affect any earnings that exceed a company's historical pattern.

- A severance tax, assessed at the wellhead, that would be tailored to the difference between the prices of decontrolled domestic oil and uncontrolled foreign oil, and would deny the profit to the oil companies.

CIA Says It Confirms Forecast
That Russia Faces Oil Shortage

WASHINGTON, March 21 (AP) — The CIA has reported that new analyses appear to confirm an earlier forecast that, without policy changes, the Soviet Union will experience an oil shortage in the 1980s.

The CIA also has predicted a drop in Soviet economic growth to an annual rate of 2.5 percent for the years 1981 to 1985, more than a point below the average rate for the period that started in 1976.

The Soviet Union would export oil to the West until 1981, the CIA predicted, after which it would become an importer of Western oil. That forecast is based on the assumption that Soviet oil production will peak at 590 million metric tons next year and fall to 500 million in 1985.

It also assumes that oil Soviet shipments of oil to Communist countries will increase to an annual 95 million tons next year and stay at that level until 1985.

China Seen Missing Coal Target

WASHINGTON, March 21 (Reuters) — China will be unable to achieve its plan for doubling coal production to more than a billion tons a year by 1987, the CIA said in a report yesterday.

The study said that the goal is "clearly beyond industry capabilities." China currently mines more than a half-billion tons each year. China kept production high during the last 20 years by expanding existing shafts and opening small rural mines, the report said, but no longer can expand in this manner.

U.S. Panel Exonerates Ex-Sen. Brooke

By Robert G. Kaiser

WASHINGTON, March 21 (WP) — After a 10-month investigation, the Senate Ethics Committee said yesterday that the transgressions of former Sen. Edward Brooke of Massachusetts were not serious enough to warrant any punishment.

The committee said that it could find no evidence of any wrongdoing on the former Republican senator's part except a sworn misstatement regarding his personal finances, which Mr. Brooke has admitted was false.

Allegations of improper behavior on Mr. Brooke's part contributed substantially to his defeat in November by Paul Tsongas, D-Mass., who was then a U.S. representative. Mr. Brooke was the only black member of the Senate. "I'm not bitter," Mr. Brooke said repeatedly in a telephone interview yesterday, adding that he regarded the committee's report as "a vindication."

"It all started mushrooming," Mr. Brooke said of the allegations against him that appeared persistently last year, mostly in newspaper accounts. "I got caught up in it, and I didn't know where it was coming from." Later in the interview, Mr. Brooke acknowledged that he did know where it had started — in a messy divorce proceeding with his long-estranged wife, Remigia.



Edward Brooke

that they're more interested in your assets than your liabilities."

Mr. Brooke's defeat last fall was a source of sadness and discomfort to friends and admirers in the Senate. One of them noted yesterday that the liberal Republican had been less effective in the last four years of his Senate career than he had been earlier, but that he remained a tough fighter on the issues that mattered most to him.

U.S. Action Is Ruled Out
In Police Strip-Searches

By Larry Green

CHICAGO, March 21 — The U.S. Justice Department has decided not to take criminal or civil action against police in the Chicago area who have forced women to be stripped for searches after arresting them for minor traffic violations and other petty offenses, it was announced yesterday.

The decision was made despite a finding by the U.S. attorney's office in Chicago that "for a number of years there has been a widespread practice in Chicago and many suburban police departments" to conduct the strip-searches, which women have described as "humiliating" and "degrading."

"It is the considered judgment of experienced lawyers that it would be fruitless to pursue criminal charges," Thomas Sullivan, U.S. attorney for the northern district of Illinois, said yesterday. It would be difficult, Mr. Sullivan added, "to prove willful violation of civil rights."

Almost all of the alleged searches were conducted by police matrons. Mr. Sullivan also said that, because the police agencies involved

For example, he was the leader of successful efforts in the Senate to fight off efforts by the House to ban federal spending on abortions for poor women.

Black leaders say privately that Mr. Brooke was a quiet but effective operator on behalf of issues helpful to minorities, often using his Washington apartment for unpublishable but important strategic planning sessions.

The committee report said that the panel could not pass judgment on some of the complicated financial dealings that he had considered because it lacked sufficient information. One of these dealings was a payment of \$27,500 that Mr. Brooke said was a loan, but that the committee said, might have been a return on an earlier investment. Whatever it was, Mr. Brooke failed to report it properly, the committee said.

The committee cleared him of charges that he falsely had claimed his daughters as dependents on tax returns and that he was aware of the improper receipt of Medicaid benefits by his late mother-in-law. The committee noted that Mr. Brooke's records and financial reports were often incomplete, but said that "most" of those problems were "due to the careless fashion in which the reports were prepared." The committee did not explain its use of the word "most."

\$73,000 Paid
For Odd Jobs,
Senator Says

WASHINGTON, March 21 (Reuters) — U.S. Sen. Daniel Inouye, D-Hawaii, said yesterday that an employee of the Inter-American Development Bank earns more than \$73,000 a year for sharpening pencils and filling water pitchers.

Sen. Inouye said that the employee, according to his job description, directs a staff that arranges meetings and conferences. But the senator said that the employee actually performs menial tasks at an annual salary of \$73,098.

Sen. Inouye — whose annual congressional salary is \$57,500 — made the allegation at a subcommittee meeting at which Treasury Secretary Michael Blumenthal appeared to seek funds for international aid programs. The 41-nation development bank administers loans for projects in Latin and South American countries.

TWA Will Seek
Right to Increase
Atlantic Fares

NEW YORK, March 21 (AP) — Trans World Airlines said yesterday that it plans to ask the Civil Aeronautics Board for permission to add a 7-percent surcharge to transatlantic fares and cargo shipments because of increases in the cost of jet fuel.

TWA said that it would apply soon for the surcharge. If approved, it would apply to travel beginning May 1 and to tickets purchased on or after April 15, the company said.

TWA spokesman Richard Greenberg said that the rapid increases in international fuel costs are expected to add more than \$50 million to TWA's fuel bill during the next 12 months. Fuel prices this summer may be 40 percent higher than last year, he said.

A number of other airlines, including United and American, have filed with the CAB for general fare increases, citing higher fuel costs as a major factor.

CIA Ex-Agent Was Punished Unduly, U.S. Court Rules

By Fred Barbash

WASHINGTON, March 21 (WP) — The Fourth U.S. Circuit Court of Appeals ruled yesterday that a lower court improperly punished former CIA agent Frank Sneed by imposing thousands of dollars of damages on him for violating the agency's secrecy agreement.

However, the court agreed that Mr. Sneed did breach his secrecy contract by publishing "Decent Interval," a book about the 1975 U.S. evacuation of Vietnam, without prior screening by the CIA.

It also reaffirmed its earlier view that the secrecy agreement — required of all CIA employees — does not violate First Amendment free speech guarantees. But the court ruled that the sort of damages imposed on Mr. Sneed would be proper only if he had disclosed classified information, which the government did not charge.

Ruling Too Severe

In light of that, the court said that the seizure of all of Mr. Sneed's earnings from the book, as

a district court had ordered, was too severe.

The government now has several options, including going back to district court and arguing that classified material was disclosed. It also independently could seek punitive damages — a less harsh alternative. This would require a jury trial, the court said, which Mr. Sneed was denied by the district court.

The partial reversal and remanding in the Sneed case was confined to the punishment imposed on the former intelligence analyst, Alexander D. Lewis, District Court Judge Owen Lewis had ordered the confiscation of all of Mr. Sneed's earnings from the book — now approaching \$100,000 — by imposing a "constructive trust" on the money.

Punitive Damages

Judge Lewis' action was based on the government's contention that Mr. Sneed had a relationship of trust with the agency similar to that which a banker has to depositors. By breaching the agreement, the judge ruled in December, 1977, Mr. Sneed also had broken this "fiduciary obligation," and, like a banker, had to return his "ill-gotten gain."



Frank Sneed

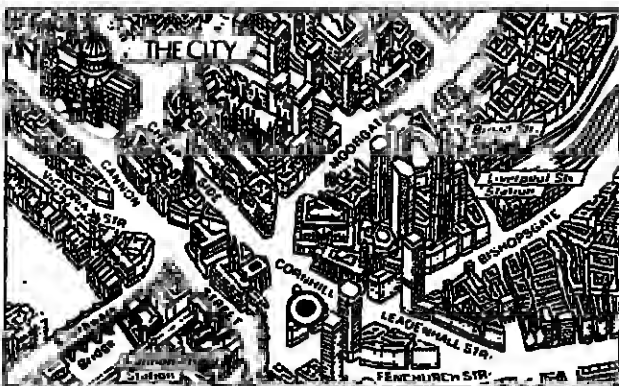
The judges said that they thought the government was entitled to punitive damages of a more conventional sort and may be "entitled to more" than that. This, however, would have to be decided by a jury.

The government's case against Mr. Sneed was its second major effort to enforce the CIA secrecy agreement. The same circuit court upheld the agreement in the case of former CIA official Victor Marchetti. That case involved disclosure of classified information, however, and Mr. Sneed's lawyer, Mark Lynch, argued that the agreement did not apply to disclosures of non-classified material.

Mr. Sneed's book was harshly critical of what he called the "botched" evacuation of Saigon during and after its capture by the North Vietnamese in 1975.

Its publication, without screening, provoked an unusually strong reaction from CIA Director Stansfield Turner, in part because it came at a time of increasing CIA concern about its ability to keep secrets. Adm. Turner testified at Mr. Sneed's trial that the book had discouraged otherwise willing informants from aiding the CIA in its overseas intelligence-gathering efforts.

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Despite Need for Health Care

Jobs Scarce for Mexican Doctors

By Alan Riding
MEXICO CITY (UPI) — On a wall of the school of medicine at Mexico National University, students have painted a seemingly obvious message for a nation in which half the population receives no medical attention: "We demand the right to work. Medicine for the people."

Yet every year thousands of newly graduated doctors, whose education has cost the country millions of dollars, are unable to find work. And among those who are granted residencies in government hospitals or who have enough capital to establish their own practices, most remain in the urban centers of Mexico City, Guadalajara and Monterrey.

The paradox of having unemployed doctors in a nation with poor medical standards reflects the problems of organizing a health service in a developing country that has a free-market economy. The situation also underlies the challenge that Mexico faces in adjusting its educational system to meet its economic and social needs.

In recent years, Mexican governments have successfully promoted the idea that everyone has a right to a free higher education. As a result, the number of universities and of university students has grown much faster than the economy's ability to employ graduates. At the same time, with overcrowded classrooms and hard-pressed teachers, the quality of education in state institutions has fallen sharply.

With governments unwilling to risk a political outcry over educational freedom, few efforts have been made to guide students toward the disciplines most needed

for the country's development. Today, for example, there is a shortage of agronomists and engineers and a surplus of lawyers and architects.

This phenomenon is most dramatic in medicine. Because the medical profession always has been thought of as respectable and lucrative, a disproportionate number of students want to become doctors. In 1967, Mexico had 20,000 medical students, in 1971 it had 41,000 and today it has 80,000, almost twice as many as the United States has.

In the last six years, the number of medical schools has risen to 54 from 25, although many of these lack the resources, equipment or qualified teaching personnel to maintain acceptable levels of education. A number are small and unregistered but expensive. They appeal mainly to U.S. students unable to get into U.S. medical schools.

The absence of teaching hospitals in Mexico has increased the pressure on government and private hospitals to try to insure the obligatory one-year internship. "How can you go around a ward visiting patients trailed by 20 interns?" an experienced doctor asked. "How can you expect a patient to be poked by 20 students?"

Dropout Rate
Because of inadequate screening, the dropout rate at medical schools is more than 25 percent. "Many of those entering medical school think the studies will not be arduous and that it is an easy way of changing their socio-economic status," said Dr. Octavio Rivero Serrano, the director of the national university's medical faculty. "They have a deformed idea of what a doctor should be, how he works and what his role is in contemporary society."

After six years of training, however, the young doctor comes face to face with reality. Last year, 9,000 doctors were graduated, but only 2,800, mostly specialists, found full- or part-time employment in the government health system. The rest entered private practice or found work outside the profession.

Of Mexico's 65 million inhabitants, only a tiny, poor minority has access to private medicine. Further, while the wealthy tend to go to Houston or New York for medical attention, middle-class Mexicans have found their purchasing power badly eroded by the high inflation of recent years.

"I was lucky," a 34-year-old doctor said. "My father-in-law gave me \$20,000 to set up my office. It's quite flashy so it attracts patients. Still, on a good day, I only have six or seven patients. Some of my contemporaries, though, are lucky if they have two or three patients a day."

A more serious problem is the government's inability to use the doctors that it educates to attack the nation's broader health problem. The health problems of about 20 million Mexicans are covered by the social-security system, which this year has a budget of \$4.5 bil-

lion. But the rest of the nation — 45 million people — is the responsibility of the Health Ministry, which has a budget of \$660 million.

In other words, Mexicans without regular employment, particularly those in the countryside, may never see a doctor. "I'd be prepared to work in the countryside for a few years, but I can't just go and set up practice in a small town because my patients couldn't afford to keep me," a young doctor said. The government is not set up to support him there either.

Mr. Rivero said that the nation's health problems should be looked at more broadly. "It's more important to provide a village with drinking water, nutrition and employment than with a doctor," he said. "It's also often more useful to send social workers and health promoters to the countryside."

He said that, although students want the prestige of being doctors, medical education should encourage students to take paramedical training. "We're in the absurd situation of having two doctors for every nurse," he said. "We've got 60,000 doctors and fewer than 30,000 nurses."

Since he became head of the faculty two years ago, Mr. Rivero has tried, with considerable success, to limit the number of students. "In 1974, we had 6,000 entrants," he said. "Last year, we had 2,100." Nationwide, however, the number of medical students has continued to rise.



NEW BABY — Tricia Nixon Cox, accompanied by her husband, Edward, leaves a New York hospital yesterday with their son, Christopher, who was born a week ago.

Obituaries

Albert Hodge, Was TV's Captain Video

NEW YORK, March 21 (UPI) — Albert Hodge, 67, a father to millions of starry-eyed children who knew him only as television's Captain Video, has been found dead in the small Manhattan hotel room where he lived alone with his memories.

Mr. Hodge had also been known to an older generation as the Green Hornet, a radio hero who battled crime and fought for the American way. The actor, who had been virtually out of work since his science-fiction kiddie show went off the air in 1956, had been living alone at the George Washington Hotel for the last four years, according to a clerk.

On Monday, police discovered his body in his room, which reportedly was filled with memorabilia of his career. It has lain unclaimed at the Bellevue morgue since. Personnel at the Manhattan medical examiner's office could not reveal the cause of death.

Mr. Hodge's show, which lasted seven years, was distributed to about 160 television stations by the old Dumont network that later was taken over by Metromedia.

Mr. Hodge played a few small television parts in Hollywood in the late 1950s, but the acting jobs became harder to find and he had to earn his living in an assortment of sales jobs.

There is no mention of Mr. Hodge in many books listing celebrities of early television, and the film of his old shows was destroyed — reportedly sold for their chemical content for 7 cents a pound.

Gardner Murphy
WASHINGTON, March 21 (UPI) — Gardner Murphy, 83, a psychologist whose research included the study of extrasensory perception, died Sunday of cardiac arrest.

Mr. Murphy studied religion, philosophy and the classics as well as psychology. His work in psychology included exploration of

how the discipline could reduce the possibility of wars.

He served as director of research at the Menninger Foundation and later taught at George Washington University.

In an autobiographical sketch, Mr. Murphy defended the pursuit

of psychic phenomena: "How far can any science get by laying down rules as to what can and what cannot happen? . . . The scientific challenge to create a kind of field theory sufficiently open to provide a place for the main parapsychological findings still stands."

News Analysis

Soviet Navy Seen Gaining In Quality and Flexibility

By Drew Middleton

NEW YORK (NYT) — A boast by Adm. Sergei Gorshkov that the Soviet Navy has achieved "significantly greater operational capabilities" is supported by two recent striking examples of the flexibility of Soviet sea power.

During the border war between China and Vietnam the Soviet Pacific Fleet sent at least seven major ships and an undisclosed number of submarines into the South China Sea to demonstrate Soviet support for Vietnam and, probably, to monitor radio traffic from both sides in the war.

While the U.S. Navy is trying to scrape together a small squadron, to be known as the 5th Fleet, for service in the Indian Ocean, the Soviet Union maintains 18 to 20 ships in those waters.

Reflecting on the comment by Adm. Gorshkov, who is commander of the Soviet Navy, Rear Adm. Sumner Shapiro, director of U.S. naval intelligence, said that there was every indication that the Russians intended to use their navy to extend "Soviet military, political and economic influence throughout the world."

Many warnings
Adm. Shapiro's remarks to the Sea Power Subcommittee of the House Armed Services Committee cannot be dismissed as simply another Navy plea for more money and ships. Similar warnings have come from Oslo, Tokyo, London and Paris, for every capital, in fact, that is involved even peripherally in the global balance of naval power.

The expansion last year of the Soviet submarine-launched ballistic missile force, which includes about 40 percent of the ballistic missile threat to the United States, is only one aspect of the Soviet naval program.

Equally important in the eyes of senior officers in the United States and abroad is the steady qualitative improvement in ships. The Soviet Navy, according to Adm. Shapiro, has 266 ships ranging upward in size from light frigates, and it built 10 ships last year.

Naval intelligence expects this annual rate of building to continue. But because older ships are retired as new and larger vessels join the fleet, the overall force of warships is expected to decline slightly in the next 10 years.

The most innovative ship in the Soviet program is a large new vessel that intelligence analysts believe is the Soviet Union's first nuclear-powered surface ship, described as nearly the size of a battleship. It is about 650 feet long, displaces 25,000 tons and is expected to be

equipped with a range of weapons systems.

There are also reports, as yet unconfirmed, that the Soviet Navy is developing a new submarine. According to these reports, the submarine has been built in a covered shipyard, which may account for the limited information available from reconnaissance satellites.

The boat, said to be made of light and strong titanium, is able to dive deeper than any other Soviet submarine, according to the reports. If it passes its trials, experts said, it will probably be armed with ballistic missiles carrying three targeted warheads each, with a range of 4,680 miles.

The Soviet aircraft-carrier building program now appears to include four ships of the Kiev class. The second ship of this class, the Minsk, is expected to be deployed shortly in the Mediterranean and the third ship, probably named the Kharkov, is to join the fleet in about two years.

Some Pentagon sources believe that when the Minsk has completed trials with aircraft it will be assigned to the Pacific fleet based at Vladivostok. Alternatively, it could become part of the Indian Ocean squadron.

The Soviet carriers are armed and equipped for anti-submarine and surface fleet, rather than for long-range air strikes against shore targets. This should enable the surface ships to venture into areas where they could expect hostile attack by aircraft and submarines.

Adm. Shapiro sees the qualitative improvements in the Soviet Navy as "a direct threat" to U.S. interests and a "significant challenge" in many ocean areas.

Meanwhile, the U.S. Navy expects the balance between the two fleets to be further altered by the Soviet replacement of older land-based bombers by the new bomber, called the Backfire in the West, armed with Cruise missiles. The deployment of Backfire squadrons in the southwest of the Soviet Union and probably in Bulgaria has already increased the hazards of operations by the 6th Fleet and other NATO navies in the eastern Mediterranean.

Spain-Denmark Exchange

MADRID, March 21 (AP) — Spanish Foreign Minister Marcelino Oreja Aguirre and Danish Ambassador Mogens Wandel-Petersen, today exchanged the instruments ratifying an agreement of cultural cooperation between their nations.

Chinese Emigration Is Nearing Record Exodus of 1962 Famine

By Jay Mathews

HONG KONG (WP) — China has witnessed in the last few weeks the most extensive exodus of its citizens since the famine year of 1962, the apparent result of economic dissatisfaction and reduced border patrols during the war against Vietnam.

Authorities in Hong Kong, the destination of most of the emigrating Chinese, say that at least 56,000 persons have crossed the border legally or illegally in the last 11 weeks, compared with about 100,000 for all of last year.

The Chinese government, whose relaxed travel rules have helped stimulate the exodus, has apparently done little to reduce it.

The Chinese press, in recent months, has acknowledged the country's problems of overpopulation and underemployment. Travelers report that Chinese coming into increasing contact with relatively well-to-do foreigners and seeing more reports on Western life in the official Chinese press are outspokenly critical of their own living standards, although they often express the hope that the government will improve the situation.

But Chinese who now have a chance to leave legally because of relatives abroad "all say they want to get out as quickly as possible," said a recent traveler who visited several such families.

3,000 Visa Requests

The Chinese emigrants deluged the U.S. immigration office here with 3,000 visa applications in February, compared with a rate of only about 30 a month a year ago. But the hunt of the influx of emigrants is being absorbed by Hong Kong's overloaded housing and welfare services. Hong Kong officials anticipate at least 300,000 new residents this year in this city of 4.5 million if the exodus continues.

"It's bloody frightening," a Hong Kong official said. Several appeals by the British government to Peking have had no apparent effect, and Hong Kong Gov. Murray MacLehose is expected to raise the matter when he visits Peking later this month. The first visit by a Hong Kong governor to China since the Communist takeover in 1949.

Officials here say that a particularly significant jump in the number of illegal immigrants since the beginning of the year appears to be in part, because of China's invasion of Vietnam. They suggest that the war has drawn away some Chinese troops that had been used to patrol the portions of Guangdong (Kwangtung) province near Hong Kong. "Before, people might be sneaking over in groups of 3 or 6, but now they can come in groups of 30 or 40," an observer said.

Turned Back 7,061

According to a Hong Kong spokesman, 27,598 persons with exit permits crossed the border this year through last Sunday. In that same period, Hong Kong border police captured 7,061 Chinese trying to cross the border illegally and turned them back to Chinese border guards. The government estimates that at least four illegal immigrants cross the border undetected for every one that is caught; at this rate, there would have been 28,000 illegal immigrants this year, and the number will have exceeded the estimated total for all of last year, about 32,000, by the end of this month.

Last year, 71,000 persons with exit permits crossed the border, while 8,192 without permits were caught and returned to Chinese border officials. Peking has punished unsuccessful escapees lightly, cutting their grain rations slightly and detaining them briefly. Anyone who manages to elude the Chinese and Hong Kong border guards and reach the urban areas of the British colony is allowed to stay. Several illegal immigrants interviewed here said they made many escape attempts.

According to Hong Kong records, since the Communist takeover of China in 1949 the only period in which the number of emi-

grants exceeded this year's was in May, 1962, when 50,000 Chinese crossed the border illegally in 23 days. The Great Leap Forward economic experiments of the late 1950s had collapsed, and bad weather had ruined crops and created a famine. "They were just walking over the fences in droves," a Briton who witnessed the 1962 influx said.

During the 1962 deluge, the British authorities for a while arrested the illegal emigrants and turned them back to China, something they had not done before. Hong Kong revived this policy again in 1974, after 24,000 illegal emigrants joined what was then a record 55,000 legal emigrants.

Post-Mao Policy

The current increase in legal emigration grows out of the post-Mao Peking government's desire to win favor among overseas Chinese, who provide a lucrative source of invest-

ment in the Chinese economy and are an important source of political support in regaining control of Taiwan. Local authorities in China appear to have been given permission to issue exit permits to Chinese residents whose overseas relatives have asked for them, without any approval from higher authorities.

Many overseas Chinese seeking to bring families out of China live in Hong Kong. Those that live in other parts of the world, except for the United States and Canada, have found it difficult to persuade the immigration authorities of their home countries to accept their relatives, so many have remained here.

The illegal emigrants reaching here are, in many cases, young, single men, who help fill Hong Kong's factories with cheap labor. Many are high school graduates sent to rural jobs in China because of a lack of office positions and college places.

11,000 Victims

Japan, Doctors Under Fire Over Drug-Caused Disease

By William Chapman

TOKYO (WP) — The first symptom is usually a peculiar hardening and heaviness in the victim's feet and ankles, as if they were tightly encased in some thick rubber substance. The toes seem to be stuck together and immovable; the feet feel as though they were strapped into very tight shoes.

Later, there are grotesque deformities of the hands and legs, accompanied by severe pains. It becomes impossible to walk. Speech becomes difficult and eyesight begins to weaken, ending for many in blindness.

These are the crippling results of Japan's most dreaded disease, smon, a nervous system disorder struck thousands here before a household drug believed to be the cause was taken off the market.

More than 11,000 Japanese have been damaged by smon in the past two decades. Years of litigation against drug companies and the government in 25 courts have produced court-awarded damage payments totaling more than \$100 million.

The disease also has provoked criticism of the government's drug-evaluating system, of the prescription habits of Japanese doctors, and of the companies that sold the damaging drug as a harmless household remedy for diarrhea.

Smon (subacute myelo-optic neuropathy) outbreaks occurred in several communities as early as the 1950s. Since then, hundreds of victims have been hospitalized or confined to wheelchairs; thousands of others have been crippled so badly that they cannot work. One in 20 victims has been blinded totally.

The cause has been identified by medical researchers as clioquinol, a substance used in anti-diarrhea medicines around the world for decades. It is said to be still widely prescribed in less-developed countries where drug regulations are weak. A growing number of Japanese judges have accepted the investigators' finding and labeled clioquinol as the cause of smon. Two drug companies and the Japanese government have, in effect, accepted that finding and offered to settle out of court; a third drug

company that marketed clioquinol insists that smon is caused by a virus.

A major remaining question baffles the experts: Why Japan? Clioquinol has been marketed in several forms throughout the world since 1899. Small numbers of smon cases have been verified in France, West Germany, Holland and Sweden, but no other country has yet reported smon on so large a scale as has Japan.

Some authorities have speculated about racial factors peculiar to the Japanese. For a time, drug companies contended that because smon did not spread in other countries, clioquinol could not be blamed. But courts are blaming the heavy dosages prescribed by Japanese doctors.

According to the opinion of the Tokyo district court, "the large scale outbreaks of smon in Japan can be concluded to be due to the wide use of larger daily doses and longer periods of administration in Japan than in foreign countries."

"In Japan, doctors used it as an anti-diarrhea medicine and prescribed large doses of it for long periods of time," said an attorney who has represented smon victims. "But in other countries it was not prescribed by doctors. It was only sold in shops and kept around the house and lots of it was thrown out periodically."

In Japan, physicians are permitted to fill their prescriptions directly for patients. The more drugs they prescribe, the more money they make.

A government-financed research group pinpointed clioquinol as the cause of smon in 1970 after finding that many patients with similar nervous disorders had taken large doses for long periods. The Japanese government promptly banned sales of the drug.

"That was a good decision," the attorney said, "but still the government is responsible because it authorized the importing and manufacturing of clioquinol, even though it was known to have caused side effects in other countries." The government has accepted a "social responsibility" for the injuries, but contends that it did not know of bad side effects when it authorized the sale of medicines containing clioquinol.

Adverse effects of clioquinol on nervous systems were noted as early as 1935 in Argentina, but the drug was used widely here until 1970 and was in the medical kits of Japanese soldiers in World War II. Because the drug damages the nervous system, the disease is rarely curable. Dr. Isuzo Shigematsu, a prominent physician who headed the Japanese government investigation of smon in the late 1960s, estimates that only 20 percent of the victims — those who have taken it for a short time — can be cured.

Twenty-five suits, claiming more than 4,700 smon victims as defendants, have been filed so far; 20 have been won. The total damage awards exceed \$107 million.

Ugandan Exiles Plan to Govern 'Liberated' Area

DAR ES SALAAM, Tanzania, March 21 (UPI) — Ugandan exile groups announced today that they will hold a unity conference on Friday to create a "liberated zone" administration in Uganda and to map the country's future if, as they hope, President Idi Amin is overthrown.

The meeting is to be held in Moshi, 250 miles north of here on the slopes of Mount Kilimanjaro. The so-called liberated regions of Uganda cover about 5,000 square miles which have been occupied by an invasion force from Tanzania for the last month.

Former Ugandan President Milton Obote is one of the leaders of the exile movement. Although he is a close friend of Tanzanian President Julius Nyerere, several exile organizations believe that leader Mr. Obote led the country into chaos during his presidency.

Western diplomatic sources said today that the situation on the warfront appeared to be quiet. They said, however, that the Amin forces were offering much greater resistance to the Tanzanian advance.

Partisans Attack Nicaragua Posts In Five Towns

MANAGUA, Nicaragua, March 21 (UPI) — Sandinista guerrillas attacked National Guard outposts last night in five cities, inflicting casualties, military sources reported today.

Sources said heavily armed Sandinista National Front partisans struck in the cities of Chinandega, El Viejo, Chichigalpa, San Antonio and Leon.

Unofficial sources said that three guardsmen were killed in Chinandega, 80 miles northwest of the capital, when the Sandinistas attacked military patrols. The guerrillas, broadcasting from the rebel radio station, "Radio Sandinista," said yesterday that a new offensive would be staged before an alleged U.S.-backed coup could overthrow President Anastasio Somoza.

For the last two weeks the Sandinistas have said that the U.S. government, local businessmen, moderate dissidents and disaffected National Guard officers were planning to overthrow Somoza to forestall a leftist takeover.

Mr. Bishop, who led the opposition New Jewel Movement before the coup in the Caribbean island nation, also expressed concern that a counterrevolution might be fomented by unidentified foreign mercenaries.

London Druids
LONDON, March 21 (AP) — Snow fell today in parts of England, but here, under cloudy skies, 50 druids gathered to herald the first day of spring with blasts from antique trumpets.

Prayers, chants and a ceremony with wine and grain followed as the druids celebrated their annual ritual. Gathered in a circle, in the shadow of the Tower of London, the druids were watched by an amused lunchtime crowd.

Druidism was thought to have been a religion of Celtic Britain and Gaul, but was wiped out by the Romans about A.D. 58. Roman records describing ceremonies gave rise to modern imitations.

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Gifts

Bicentennial Rock Generates Pile of Complaints

PORTNALONG, Isle of Skye, Scotland (AP) — Britain's Bicentennial gift to the United States — a replica of the Magna Carta mounted on a large granite stone — has left a trail of financial woe, bounced checks and bankruptcy.

"It's not a present from the people of Britain. It's a present from a few British tradesmen who have not been paid for their work," said Donald Peteranna, head of Uist Builders, which supplied the 3-billion-year-old chunk of granite.

He said that he is £800 (about \$1,600) in debt from moving the four-ton stone from a remote beach in the Outer Hebrides to the Scottish mainland.

The craftsman who shaped the stone says that they are owed £1,000.

The goldsmith who made the case for the Magna Carta replica says that he lost £40,000 on the job and is bankrupt.

The Foreign Office says that the unpaid bills are all very regrettable, "but the government has an overall duty to the taxpayer and that is paramount."

The gift stands in the round of the U.S. Capitol, where one guide recently was heard explaining to a group of children that the Magna Carta represented an early demand for human rights — "just like President Carter talks about all the time."

For the U.S. Bicentennial in 1976, Britain lent to the United States one of the four existing copies of Magna Carta, a manifesto of liberties that the English barons forced King John to sign in 1215. The copy sent to the United States was returned to Britain a year later, a gift-and-silver replica in a gold case took its place as a permanent display in the Capitol.

Louis Osman, a leading British goldsmith, described by Prince Philip as a "great craftsman," was asked by the Foreign Office to

make the case. Osman, 65, says that he was paid £100,000 for the job, but that he spent almost £150,000 on it.

"A wrong story was published that £250,000 was allocated for the gift," he said. "Other persons involved thought they were on for a good thing and submitted accounts to me for up to 7 or 10 times their estimates. That's when my troubles began."

Last January, after Osman failed to meet one such bill, he was adjudged bankrupt, with debts of £17,106 and assets of £6,894. His firm, Canons Ashby Workshops Ltd., is being liquidated. Other firms with which he contracted are seeking payment.

"I think it's damnable that small firms like ours have had to foot the bills for the British gift to America," said John Milligan, whose stonemasonry firm of A. and J. Milligan at Creetown in southwest Scotland shaped the granite. "We are still bitter about the whole thing."

Lifestyles

The Vie Parisienne of Jacques Chazot

By Hebe Dorsey

PARIS, March 21 (IHT) — "La Vie Parisienne" is the name of an Offenbach operetta that could easily be applied to the life of the dancer Jacques Chazot, who tonight celebrates 25 years of his own Parisian life.

Françoise Sagan once asked him to marry her but later confessed that it was just because she was depressed; he waltzed with Princess Grace ("a divine dancer") at Princess Caroline's pre-wedding ball; he lunched and dined practically every day with Coco Chanel for the last 10 years of her life ("She was amazing. Old as she was, she still had sex-appeal."); he met and befriended Brigitte Bardot at the Opera dance school. Other "friends" included Andre Malraux and Francois Mauriac, "who liked me, I guess, because I brought some fantasy into their lives."

In 25 years, Chazot reckons, he must have had a meal alone about three times ("I can't stay put") and that his go-to-bed time average has been 4 a.m. ("But last night was 7 a.m. and the night before 8 a.m."). He says he sleeps as little as three hours a night, but somehow doesn't look it. With Chazot, one quickly learns to take everything with a grain of salt.

The party tonight will be held (and bankrolled by) the Pavillon Royal in the Bois de Boulogne. The 700 guests ("all friends") will have



Jacques Chazot waltzing Princess Grace.

a choice of dinner, or supper, or both followed by an all-night ball. The city of Singapore (where he apparently cuts some ice too) has sent 1,000 orchids for decoration and the menu includes duck nestled into half pineapples.

The guest list includes, of course,

Françoise Sagan ("She's my best friend"), the Guy de Rothschilds (they're his best friends too), Helene Rochas, Kim d'Estainville, Princess Soraya, the Duke of Orleans, Paul-Louis Weiller, Sao Schlumberger and Yves Saint Laurent, but also Roger Cazes, the

owner of the Brasserie Lipp, as well as Bertie, his hatcheck girl "who's known me all my life."

Mrs. Jacques Chazot reportedly promised to drop in late. Mrs. Raymond Barre (wife of French premier) sent regrets but asked if she could send Chazot a little gift. As it is, Chazot is all set. Friends are giving him a chihuahua, "my first dog ever." Last, but not least, Chazot said he's having film director Federico Fellini, for whom that display of Paris *dolce vita* should have some interest.

Chazot is what is known around Paris, dinner circles as "a locomotive," which he defines as "somebody who, after a dinner party at which everybody is dead tired has enough pull to drag all those people to a new, bizarre and quite exciting place that he, alone, knows about. A locomotive, he adds, must have pure, financially untainted motives. Comparing himself to Beau Brummel, Chazot said: "There's only one locomotive per century." Beau he is. Six feet tall, with an old coin's profile and impeccable if nonchalant grooming (he's been on the best-dressed list twice), Chazot combines that calculated elegance, with nonstop talk. As he goes, the jokes keep coming out of his mouth, often to his own surprise, making him laugh too.

Asked what has changed in Parisian life in the last 25 years, Chazot said: "First, dressing. People now go out wearing anything. At the Opera, a woman in full attire will find herself next to a man in jeans. At chic dinner parties, people will put together anything they found at the Flea Market, just to look young or with it. Old men, with their hair down their necks..." (at that point, Chazot smoothens his own, silky and impeccably wavy hair). "I tell you, it's a disgrace."

The lifestyle is different too. "Millionaires have chucked off their Rolls. It's now bad taste to be ostentatious, except around show business circles." Society, as a whole, is also more lax. "Now, it's considered chic to invite a man who's been on France-Soir's front page, even if he's a gangster."

Chazot himself makes no bones about loving publicity. "I know people have called names. But I don't care anymore. I'd rather have a bad picture of myself on the front page than a good one on the back page."

Fortunately, there's more to Chazot than meets the eye and what he does not say is often more interesting than what he so willingly says. For one thing, even when he says the most outrageous things, there is always a kind of glitter in his eye. Besides, as the jokes are often on himself, it is hard to get mad at him.

His career also helms the butterfly side of his life. He started as an extra at the Chatelet, made ends meet by posing at Grande Chaumiere for Giacometti, Derain, Matisse and others. He just finished a show at the Mogador theater, has a book and a play on the way, and is in charge of all classical ballets for Holiday on Ice. "The last one was La Traviata," he said. "What I did is transfer opera to ice."

The reason for his success, he said, is that "As much as I talk, I know when to shut up and listen."

Tan Giudicelli's collection will be shown on April 8 at 5 p.m., and April 1, as reported in the IHT of March 19.

U.S. Museum to Get Wyeth Collection

NEW YORK (NYT) — A little-known museum in Greenville, S.C., will get the extensive collection of Andrew Wyeth paintings owned by Joseph E. Levine, the motion-picture executive.

The collection, bought from Levine for the Greenville County Art Museum by a retired manufacturer, Arthur Magill, at a cost believed to be between \$4 million and \$4.5 million, consists of 26 works that will bring to the bustling textile town the largest group of Wyeth works outside of the artist's own holdings.

Dance in West Germany

Stuttgart Ballet Mounts New 'Orpheus'

By David Stevens

STUTTGART (IHT) — The "Orpheus" that has just been given its first performances by the Stuttgart Ballet is a world premiere from top to bottom, with a new 100-minute score by Hans Werner Henze, a libretto by Edward Bond that gives the legend a new twist or two, and choreography by William Forsythe, one of the company's young creative hopes.

It is a healthy sign, too, that the Stuttgart Ballet — six years after the death of John Cranko — has mounted two new full-length ballets in one season, a formidable undertaking for any troupe. Earlier, the company had an enormous success with John Neumeier's three-act setting, to Chopin, of "La Dame aux Camelias." More than ever, it seems that the company, under Marcia Haydee, is determined to honor the past without living in it.

The English playwright's libretto, "A story in six scenes," begins in primeval chaos. Calm and order are introduced when Orpheus plays on the lyre given him by Apollo. Society splits into rich and poor — the former idolize Apollo, spokesman of the official culture — and Eurydice dies as an almost accidental victim of an outburst of class warfare.

Leather-Coated Pair

Hell is presided over by Hades and Persephone, a disagreeable leather-coated pair who supervise the damned, who writhe in anguish in a semicircle of classroom chairs. Orpheus with his lyre has such a soothing effect that Hades quickly surrenders Eurydice to get rid of him. Apollo's official welcome for the happy couple is so blindingly lit that Orpheus turns aside, casting his fatal glance at Eurydice. To despair and rebellion, Orpheus smashes Apollo's lyre, but with its remains he produces a "new music" that empties bell and ushers in a new order.

Bond's story, dense with metaphor and symbolism, also is full of suggestions for sound and movement. Henze has responded with a score rich in orchestral color and structural potency, while Forsythe

— an American who has been a Stuttgart dancer — has drawn from many sources to provide an eclectic, but often very effective, variety of movement to match the story.

Instrumental Garb

The composer gives characteristic instrumental garb to the principal characters — guitar, harp and other strings for Orpheus; harpsichord for Eurydice; brass, winds and other paraphernalia of baroque fanfare for Apollo, and the deeper instruments and an organ for the turbulence of Hades' realm. The score makes a busy night's work for the large orchestra, and the Stuttgarters played with vigor and commitment in response to Woldemar Nelson's conducting.

The choreography ranges from primitive stamping in the opening scene (with the dancers providing their own percussive sounds) to academic *enchaînements* for Apollo, danced and mimed with sublime self-satisfaction by Reid Anderson. Convulsive, tortured, almost spas-

tic movement is used to convey the sufferings of the damned, although they go on longer than necessary to make the point, while Hades and Persephone (Otto Neuberger and Melinda Witham) are propelled by a kind of warped virtuosity, spectacular and malevolent.

Richard Cragun and Birgit Keil were touching and impressive as Orpheus and Eurydice, meeting a wide range of daunting technical demands, not all of them very grateful, and acting with straightforward conviction.

Black-Walled Hell

Asel Manthey's set was simple but effective: a white cubic space with what seemed to be a huge oven door leading to hell (the walls change to black on arrival down there) and an elevated sliding door

in the back wall through which Apollo made his glittering entrances. Joachim Herzog did the costumes, which included casual work clothes and simple dresses for Orpheus, Eurydice and the masses of which they are part.

The ballet worked as an effective piece of dance theater with impressive, mutually reinforcing contributions from its multinational group of creators, and rather less convincingly in its utopianism, as a metaphor for the artist as the creator of a new social order. The main fly in the ointment was that when the story called for a "new music" (and by implication a new kind of movement) Henze and Forsythe slipped into banality for a short but crucial final scene. It is probably asking too much to imagine the unimaginable, let alone supply it.

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MILAN, Italy (AP) — Salvage of Leonardo da Vinci's masterpiece — the Last Supper fresco in Milan's Santa Maria alle Grazie church — will cost one billion lire (about \$1.2 million), authorities reported here. They said the sum will be readily available.

Plans for saving Da Vinci's fresco, threatened by dust and mold eating its colors, were made public by professor Gisberto Martelli, who listed installation of equipment for filtering air, construction of a steel cover for the roof and consolidation of the walls as essential measures.

Half of the total will be covered by funds allotted by the Italian Ministry for Cultural Patrimony. The balance would be given by the Unesco.



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Royalty

Zita: The Imperial Pensioner

By Hanns Neuberger

ZIZERS, Switzerland (AP) — Iran, Middle East peace efforts, elections in Europe — there is no major international event that is not closely followed by an imperial pensioner in a home for the aged here run by Franciscan nuns.

A steady diet of news from the radio and at least five newspapers from as many countries provides a daily flow of information to the small, austere-looking tenant of apartment 95, who has witnessed more than her share of troubled history during this century.

Apartment 95, two simply furnished rooms at the end of a second-floor corridor at the Johannes-Stift, is the home of Austria's last empress, 86-year-old Zita, who once held court at a Versailles-sized castle and who would bitterly resent the prefix "ex" to her title.

Zita is the widow of Karl I, who ruled over a realm of 30 million until, after the Allied victory in World War I, he agreed to "temporarily relinquish" his imperial rights.

When Karl died in 1922, his multilingual realm that stretched from what is now Poland to the Mediterranean had already broken up into independent states. But he never officially abdicated. And Zita has formally accepted what to others is a historical fact — the end of the rule of the Hapsburg dynasty, which held the Austrian throne for more than six centuries.

Tragic Ascent

Tragedy surrounded the ascent of her husband. He became emperor of Austria and king of Hungary after the death of his great-uncle, Franz Josef, in 1916. Franz Josef's wife, Empress Elisabeth, was stabbed to death by an Italian anarchist in Geneva in 1898. Their only son, Crown Prince Rudolf, had been found dead in 1889 in what was officially declared a "double suicide" with his mistress, and their nephew, Franz Ferdinand, the new heir presumptive, was shot by a Serbian assassin in Sarajevo in 1914, triggering World War I.

When Karl and Zita were crowned, they felt only a rapid peace could save the crumbling dual monarchy, then allied with Germany. Zita, a member of the house of Bourbon-Parma and thus herself related to many European



Empress Zita.

her final days at Zizers, a wine-growing village in the upper Rhine valley. It is only a few hours from the postwar home near Munich of Otto, her oldest son, before whom she had curtsied when he became the titular head of the house of Hapsburg at the age of 18.

Austere Life

Zita, joined here a few years ago by a younger sister, keeps a rigid daily routine. She rises at 5, hears the first radio news at 6, hears mass at 7 and then plunges into reading letters and newspapers, helped by her fluency in five languages. Sometimes, she enjoys the sun on her tiny veranda overlooking a park and a vineyard. Meals are taken alone with her sister, apart from the dozen other pensioners.

The monthly rental at the home, including full board, is 1,300 francs (about \$170). When her family suggested renting additional space, she is reported to have curtly declined, saying she did not need it. Family photos and an oil painting of her husband provide a personal touch.

"My mother is in an excellent state of health," Otto von Hapsburg told a reporter. "She will not give interviews but she is full of mental and physical vigor and follows international developments with great attention."

"She is very alert," agreed the Rev. Walter Abegg, the village pastor, who occasionally meets the devout Roman Catholic.

During the 14 years she has been living here, she has remained largely a stranger. She seldom ventures out in the streets. "I have never knowingly seen her," said Peter Castelberg, the mayor of Zizers.

Her appearance is as austere as her lifestyle. She has been in black mourning ever since her husband died. Instead of jewelry, she wears the badge of the Pan-European Union movement headed by her son. When she takes a train to visit him or other members of her family in West Germany, Belgium or France, she travels second class.

Traveling still takes much of her time. But although the Austrian border is only 20 miles away, she has never revisited the country. An Austrian law, enacted in 1919, denies entry to those Hapsburgs who have not signed a "declaration of loyalty" to the Austrian republic. All but Zita have signed the pledge, which for her would mean renouncing imperial rights.

In the early 1950s, she and most of her family returned to Europe. Eventually, she decided to spend

Emanuel Ungaro pour être belle de jour.

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Iran and Moscow

When the revolution in Iran ended the influence of the United States in Tehran, there was much concern over the possible profit to the Soviet Union. After all, the Russians have made a deep impression on Azerbaijan in Iran, which had once declared itself a Communist republic. There was a Communist party — the Tudeh — in Iran and it had power within the oil unions, Afghanistan, on Iran's border, had set up a Communist regime. The Russians, whether as czars or as Communists, sought Iranian territory and domination of Afghanistan. With the shah, whom they had opposed, gone and Nur Mohammed Taraki, whom they supported, ruling Afghanistan, would they win these objectives?

It is too early to answer such questions about a Central Asia in flux definitively. But although the Khomeini rule is uncertain and ripped in many directions by many political and religious differences, it has also had an impact on the Islamic world that does not augur any better for the Soviet Union than for the West. Iran is having trouble again with the Kurds — different in race and sect from the Shiite majority in Iran — but Afghanistan is also having trouble with the Moslem tribesmen who draw strength from Pakistan and Iran. Indeed, the Afghan Communist government complains that it is being invaded by Iranian troops.

Since that government is not deeply rooted in Afghan soil, it cannot ignore the threat of Islamic guerrilla movements, which have

strong support from Iran and Pakistan. Neither can the Soviet Union, which not only might lose its newly-won friend in Kabul, but which has a large Moslem population of its own in Central Asia.

In other words, the ideological force (hacked by the military strength of the Soviet Union) of Communism is meeting the religious force of Islam which, in a time of general disillusionment with secular political panaceas, is rapidly gaining strength. And, since Communism itself is deeply divided in Asia, and China is near the crisis area, the Soviet Union has more urgent reason to be alarmed over events here than the distant United States.

As in the Middle East, where the chief dangers to peace arise from internal strife rather than outright war, the Soviet Union in Central Asia does not need to worry about receiving a formal declaration of war from Iran or Pakistan. But it could see its satellite in Kabul dissolve; it could see guerrilla struggles arise all along its frontiers — and perhaps within them. And there is always the tension between Moscow and Peking which holds so many grim possibilities.

The United States may wistfully recall the days when Iran was a close friend and Pakistan an early ally. It may regret the loss of oil and the gaps that appear in the cold war wall of containment, south of the Soviet Union. But, on balance, it can hardly appraise Moscow as the gainer from these developments.

Speak Up, Mr. Carter

Jimmy Carter is not to blame for the shadows of Watergate that haunt the investigation of his family's peanut business. But he needs to be just as sensitive to the Nixon scandal now that it momentarily darkens his path as he was when it cleared the way for his climb to the presidency.

We would expect this of any president, but Carter is not any president. He is the post-Watergate president who set out to restore confidence in the office and to cure the electorate of its cynicism about politicians. He promised not just due observance of the law but a beaming honesty. If his friends and family are in some kind of trouble, no effort to help or protect them should be allowed to erode Carter's compact with the nation. Without compromising the legal position and rights of others, the president can presumably assure the public that he and his campaign were in no way involved in the book-keeping ledger that has aroused the curiosity of federal investigators. He should do so promptly.

The country and the White House could then pursue their business instead of looking back three and four years to the trail of peanut shells and shenanigans between the Carter business and its creditors. Altogether too much of the public's attention has already been diverted to the banking manipulations of the president's close friend and former budget director, Bert Lance. The conduct of Lance before he came to public office is now the proper concern of a grand jury. The ties between his bank and the Carter family enterprise (then managed by the presi-

dent's brother, Billy Carter) will now be examined by a reliable, Republican "special counsel" to the Justice Department, Paul Curran. The sooner President Carter describes his own knowledge of these transactions the better for him and the nation.

In recruiting Curran as special counsel rather than special prosecutor, the Justice Department made a distinction that bears watching. Attorney General Bell, who is also an old friend of Jimmy Carter's, may have let pride walk ahead of prudence in wanting to prove that his department could manage an independent inquiry — without his participation. But the country would have been better served by a counsel who had all the powers and protections of a special prosecutor — able to grant immunity to witnesses, to press indictments and to resist arbitrary dismissal.

Curran, an experienced prosecutor, may nonetheless have all the authority he needs. Above all, he has the significant power to complain in public if his judgments on any crucial point are overruled by the head of the Justice Department's Criminal Division, Philip Heymann, to whom he reports.

Carter's spokesman quickly noted that the proprieties had been observed — that neither the president nor anyone representing him had conferred with or advised the attorney general on this arrangement. It is the public, however, that needs now to be advised by Carter that he well understands "all the factual and legal issues" that remain unresolved and that they do not reflect on his presidency.

THE NEW YORK TIMES.

On the Mountain

If it worked with Menachem Begin and Anwar Sadat, might it not work with James Schlesinger and Alfred Kahn? Mr. Carter summoned to Camp David the people in his administration, who work on energy policy and those who work on inflation, to see whether he could negotiate a peace settlement among them. Camp David has become important in this administration as the example of a certain political style and method.

The president believes in intense direct conversation and in going around and around the circle until the answers emerge. He has evidently concluded that this process works most effectively when he gets people away from Washington and talks with them on the mountain top. The mountain isn't what you'd call spectacular, but it's high enough to suit his purpose.

The Camp David method was particularly well adapted to the kind of face-to-face bargaining and brokering on which Mr. Carter built the first Middle East peace agreement last September. Now he must make a series of basic decisions on oil conservation and inflation. It will be some days, evidently, before it becomes clear what conclusion Mr. Carter may have drawn from this latest retreat at Camp David. He does not want to make choices that would amount to aban-

doning either energy conservation or the struggle against inflation.

But, in the spirit of Camp David, perhaps his advisers will have pointed out to him that there is not necessarily any conflict here. Oil and gasoline prices have been continuously controlled for eight years, and they are now rising faster than ever. The controls themselves are inflationary. They are a crucial part of the unintentional mechanism that encourages Americans to buy more and more oil, maintaining a sellers' market for OPEC and inciting the OPEC governments to keep raising their prices.

How inflationary is it to decontrol oil prices? That depends entirely on political decisions yet to be made. It would be good policy and good economics to recapture part of those rising prices with stiff new taxes on both crude oil and gasoline. Those new tax revenues could then pay for cuts in other taxes.

The Camp David method is not infallible. But very often in political life this kind of long discussion around a table will reveal that the collision between apparently irreconcilable positions is, on examination, an illusion. That, we think, is true of the much-advertised choice between decontrolling oil prices and fighting inflation.

THE WASHINGTON POST.

In the International Edition

Seventy-Five Years Ago
March 22, 1904

LONDON — The sale at Christie's last week had been expected to produce some startling figures, but that Gainsborough's pastoral landscape with figures would not be bought until the price reached £3,045 was certainly unexpected. Just as surprisingly, the Gainsborough portrait of Pitt sores to £2,415 before being purchased. The keenest interest was excited by the struggle for the possession of Reynolds' exquisitely beautiful portrait of a lady, which realized £3,255. All these pictures were from the Huth collection.

Fifty Years Ago
March 22, 1929

PARIS — A doctor from the United States, who had been studying with Prof. Freud in Vienna, arrived in Paris yesterday on his way back home. "Freud, though 73, is still actively engaged in his psychoanalytic practice, though confining his interest to instruction-analysis," Dr. Philip Lehman said. "The prevention of mental illness in adolescence requires that those in charge of children fully understand their psychoanalytic needs. Humanity has not easily accepted the idea that most of its mental activity is dominated by forces over which it has no control."



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'And Now, in This Hat —'

Political Spring Fever

By James Reston

WASHINGTON — These are the gentle seductive days in Washington, when the herring begin to run up the Potomac and, by some similar instinct, senators begin running for the White House.

One watches the stirring of these political ambitions with both admiration and sadness. Admiration because, with a certain logic, they say: "If Jimmy Carter could make it, why can't I?" Sadness, because of all the physical and mental torture that lie ahead for most of them in the next 15 months.

The men around the president regard this rising fever with surprising objectivity. Hamilton Jordan discusses it in his plain room down the hall from the Oval Office as a natural and even amiable challenge to Carter.

Start Early

Why shouldn't they go for Jimmy, he asks. We won by starting early, so did Jack Kennedy, so did Nixon. But everything will change up and down, he suggests, by this time next year.

Carter was away down a few weeks ago, Jordan observes, now he's up because of the progress in the Middle East. The momentum will carry him along for a while, but then it will be some other issue at home or abroad that will raise wholly new questions.

The minority leader of the Senate, Howard Baker of Tennessee, Sen. Bob Dole of Kansas, and Rep. John Anderson of Illinois hope this is true, but they all have a problem. How to be taken seriously as candidates for the Republican presidential nomination?

The answer seems to be: to raise money, get a campaign manager, and a travel agent. Above all, to get publicity. Anderson is just back from China and Taiwan. Baker is going to Peking early next month (China seems to have replaced the Soviet Union as a springboard for U.S. presidential candidates), and Dole, with his attractive wife, is starting out on a nationwide tour of political speeches and television quiz shows that would make even Walter Cronkite seem lazy.

Expensive

All of this spring-training politics seems recklessly expensive and not very logical, but in these early days of the 1980 campaign, occasionally somebody bolts out of the pack and is proclaimed in the polls as "the new challenger" or "the front-runner," or some such sports cliché. This is what happened with Carter in the Iowa primary election of 1976. He had a sudden success and was then proclaimed by the press and television to be a "serious candidate." The same thing is happening now, on equally fragile evidence, to former Gov. John Connally of Texas.

At the turn of the year, Ronald

Reagan was the recognized leader and darling of the Republican Party. He didn't go to the Republican Party rally in Indianapolis early this month, while all the other Republican presidential candidates did, and Connally took over this rump convention.

Sense of Humor

In a CBS poll of 600 participants of that Midwest Republican Leadership Conference, 296 answered that Connally was "the best speaker," their "favorite" for the Republican presidential nomination, with the best chance to get a Republican back into the White House in next year's election.

Even Connally, who has a sense of humor about his successes and blunders of the past, would agree that this was an unrepresentative and maybe even a silly poll, but in the world of political symbols and psychological demons, it changed the ratings and the assumptions of the Republican campaign.

Baker and Dole went to the Indianapolis rally with measured talks on the issues before the nation. Connally, who looks like a president and sounds like a football coach in the locker room between halves, blew them off the stage with his eloquence. And Reagan wasn't there.

In a reasonable world, this would not make much difference, but the reaction among the Republican leaders in Washington is interesting if not startling. Connally is now regarded by them as being up, and Reagan as being down, and the young moderate Republican challengers begin to think that in the conflict between Reagan and Connally, they may have a chance.

Reagan Challenged

Reagan, the moderates say at home, is now being challenged for the conservative leadership of the party. He will be 69 years old before the 1980 election. Former President Ford, whose enthusiasm for both Reagan and Connally is somewhat limited, will probably pull out of the race on the ground that he is too old, which, according to this scenario, will hurt both Reagan and Connally and open the way to Bush of Texas, Baker of Tennessee, and Dole of Kansas, all of them in their 50s.

But in this spring, a year before the presidential election primaries, the idea is getting around that Connally might just overcome all his high-business associations and party-jumping problems and take the Republican Party over against its will.

The Bakers and the Doles are now thinking that Connally and not Reagan is their major challenge for the Republican nomination. And the Carter men in the White House are also watching this trend.

They're not so worried about Reagan, but they think about Connally in the night. And the allies of the United States are also beginning to think about Connally, too. For they may have their doubts about Carter, but they have their memories about Connally when he was secretary of the Navy and secretary of the Treasury and he is clearly not their favorite president of the United States in the 1980s.

What would our judgment be if he had failed in the Sinai and Jerusalem? Could he use the Sermon on the Mount to justify all the arms supplies, to justify making the Yemen war a test of wills between East and West, and to legitimize the buildup of naval forces in the Indian Ocean, which until recently stood a good chance of being declared an international zone of peace? Would all this mean that Mr. Carter was any less a Christian?

His intentions presumably would have been no different, but the result profoundly so.

Carter: Morality Of Peace and War

By Jonathan Power

LONDON — The benefits of President Carter's religious pilgrimage to Cairo and Jerusalem are easily listed: a major step toward ending a long period of enmity between Jew and Arab, a diminution in the arms race between the two major Middle East powers and, hopefully, sometime before 1985 when the oil crunch really begins, a blunting of the harsher edge of Palestinian nationalism.

The cost? More guns for Egypt, more guns for Israel, more guns for Saudi Arabia and more guns for Yemen. Already the Middle East nations have nearly as many guns and fighter planes as the whole of NATO, but Mr. Carter continues to prime their pump.

There are substantial and understandable reasons for this. All the same, it is not fair to wonder if this is really "peace-making?" Is this the Sermon on the Mount writ large, as Mr. Carter's public relations machine would have us take it?

Not Diplomacy

Hans Kung, the great Catholic theologian, has partly answered the question in his work "On Being a Christian." The gospel, he writes, "is neither a political theory nor a method of diplomacy. On the other hand, Christianity is the only major religion that admonishes its believers 'to love your enemy.'"

The Old Testament speaks only of love of neighbors; Confucius writes of love of man. What Jesus did point up, argues Kung, was that "a renunciation of rights without recompense can constitute the great freedom of the Christian. The Christian who lives in this freedom becomes critical of those who are in practical politics are not prepared for the sake of peace to give up obsolete legal positions, to take a first step toward the other persons, publicly to struggle for friendship with other nations even when this is unpopular."

But this only speaks to the upbeat part of President Carter's activity in the Middle East.

What would our judgment be if he had failed in the Sinai and Jerusalem? Could he use the Sermon on the Mount to justify all the arms supplies, to justify making the Yemen war a test of wills between East and West, and to legitimize the buildup of naval forces in the Indian Ocean, which until recently stood a good chance of being declared an international zone of peace? Would all this mean that Mr. Carter was any less a Christian?

His intentions presumably would have been no different, but the result profoundly so.

Thomas Nagel, in his essay "War

and Massacres," has suggested we are working between two poles of moral intuition. We know that there are some outcomes that must be avoided at all costs and we know that there are some costs that can never be morally justified. We must face the possibility, Nagel argues, "that these two forms of moral intuition are not capable of being brought together into a single coherent moral system, and that the world can present us with situations in which there is no honorable or moral course for a man to take, no course free of guilt and responsibility for evil."

Is this where Mr. Carter falls down? He tells us all too clearly when he is on the peace road; and when his Christian faith is at work. But he never throws out the same message when he is caught in the tangles and thickets of dirty compromise. Does he just avert his eyes at this point? If so, it is a dangerous business. Having looked away, does he always know when to look back? Is his faith becoming the religion of Jimmy Carter rather than of Jesus Christ?

Difficult

These criticisms are easy to make and my intention is not to demean the attempt at Christian statecraft made by President Carter. It is an effort worth making, all the more so since Mr. Carter, with less than absolute power, has to take a distrustful public with him. Ruling a democracy as a Christian is far more difficult than ruling an absolute monarchy.

It was Clausewitz who first observed that the transition to a democracy, far from abolishing war, as some 18th-century liberal thinkers believed it would, brought it into an entirely new dimension of violent passion, made all the worse by the technological revolution.

Democracies, as Alexis de Tocqueville once observed, and George Kennan has spelled out more recently, tend to be uninterested in foreign affairs, hostile to alliances and doubtful about abstract concepts such as the balance of power. Set against this is their xenophobia and their mistrustfulness of other nations. If their ideals are shattered, they become passionately vindictive and push their policies into holy crusades against those who disturb their peace.

If the Middle East "peace" goes dreadfully wrong, then there will be the real test of Mr. Carter's Christian faith. His people, or some of them, will be out buying for blood. Will he look away and leave the dirty business to others? Or will he be able to tell us as a Christian what has to be done?

The Big Trade-Off

By Joseph Kraft

WASHINGTON — Energy, foreign affairs, inflation and domestic politics are all mixed up in the decision the president is now mulling about decontrol of domestic oil. The links between each of these subjects are complex and the statistical evidence uncertain.

The politics are obscure. So it seems useful, before setting out a preferred line of action, to consider the connected issues one by one.

As regards energy, a strong case could be made — and has by Energy Secretary Schlesinger — that the president should exercise the authority he will acquire as of June 1 to decontrol the price of domestically produced oil. By raising prices of oil and competing energy sources, decontrol would promote conservation.

Decontrol

By raising incentives, it would increase production — not only of oil but also of other energy sources. But just how much would be conserved and how much more produced is not clear.

International considerations — as Secretary of State Vance and Treasury Secretary Blumenthal have made plain — reinforce the case for decontrol. The major oil-exporting countries and the major oil-importing countries both resent the huge U.S. consumption which is now fostered by controls on domestically produced oil. The exporting countries would probably go easier on raising prices if they were persuaded the United States was finally moving to meet its energy problem — especially since a threatened shortage might be averted.

Japan and the major importing countries of Western Europe would also be relieved. By decontrol, the president would build confidence that he was working to meet problems of energy and inflation. That would lead to a stronger dollar, and important benefits for this country at home and abroad.

With respect to inflation, a one-time decontrol might kick up the consumer price index by as much

as eight-tenths of a point. That heavy shot could be eased by phasing out the decontrol over several years — perhaps until 1981 when the authority to control runs out entirely.

Impact on Labor

Even so, an announcement of decontrol would be bound to have an impact on the big labor contracts coming up for settlement — especially that of the Teamsters which is due to expire on March 31. With inflation already running at 9 percent, it will be extremely difficult — as the president's chief inflation fighter, Fred Kahn, has argued — to hold the contract within the 7 percent increase now set by the wage-price guidelines. A big Teamster settlement — a visible breach in the guidelines — might pave the way for a round of similar increases that could trigger a new burst of inflation.

But it may be that the increases in fuel and food costs have already raised the consumer price index to the point where a fight on the guidelines now would necessarily be a losing fight. It might be preferable to fudge the issue with the Teamsters — perhaps by giving them higher cost-of-living benefits — in order to save the guidelines for a fight later on, when inflation should be moderating because of the general cooling-down of the economy.

With respect to domestic politics, the sharp issue is fairness. Along with all other corporations, the big oil companies are showing very high profits. As the president's chief domestic adviser, Stuart Eizenstat, has pointed out, decontrol would increase their profits at the expense of the poor people and minorities so important to the Democratic Party.

To be sure, windfall profits could be taxed away. But such a tax would require congressional action. The oil lobby and the Congress

may well be strong enough to block any such tax, and the president would at least share some of the blame with the Congress.

On the Back

Of course, President Carter could make decontrol contingent on congressional passage of a windfall profits tax. That way the money would be more squarely on the back of Congress. But if Congress still did nothing, the president would catch most of the blame — as he has recently — for not having an effective energy program.

My own preference would be for phased decontrol by next year, with a provision for total decontrol as soon as Congress enacted a windfall profits tax. In that way, the president would at least assure himself of having a workable energy program, with the multitude of internal and international benefits that follows. He would cushion the inflationary impact, and make a good-faith effort to achieve fairness.

Whatever he does, however, the president should not pretend that he has found the perfect program for all. The big trade-offs are truly hard — so difficult, in fact, that a mere mortal has to wonder why anyone would want to be president.

The International Herald Tribune welcomes letters from readers. Short letters have a better chance of being published. All letters are subject to condensation for space reasons. Anonymous letters will not be considered for publication. Writers may request that their letters be signed only with initials but preference will be given to those fully signed and bearing the writer's complete address. The Herald Tribune cannot acknowledge letters sent to the editor.

Letters

Why Not Reagan?

Ronald Reagan in 1980? Why not? Look at the titles of some of his films: "Law and Order," "Desperate Journey," "Winning Team," "Giving Places" and "Accidents Will Happen."

AL HIX.

Judging Judgments

At last Anthony Lewis (HT, March 13) has seen through Rich-

ard Falk and Ramsey Clark, whose repeated misjudgments of international affairs seem never to disqualify their latest statements from publication. Before giving prominence to Falk's "outstandingly silly" (Mr. Lewis' words) assessment of Ayatollah Khomeini, editors might have weighed its value by recalling the previous Falk-Clark judgments on the intrinsically peaceful nature of the Hanafi regime, in cite just one example, given one who shared their oppo-

sition in the U.S. presence in Vietnam has to wonder how long the opinions of such discredited experts can avoid relegation in the "Letters to the Editor." Is it really so unthinkable that a Princeton professor or a former attorney general can simply be wrong? Or, that having been wrong so often, their pronouncements can be ignored without danger to the commonwealth?

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The Morgan Bank

Oil Imports a Threat To U.S. Security

WASHINGTON, March 21 (AP) — A year-long U.S. Treasury Department investigation has concluded that increasing oil imports are threatening the nation's security and could affect the value of the dollar.

Sohio Eyes Its Pipeline Plan Anew

By J.P. Smirh

WASHINGTON, March 21 (UPI) — Standard Oil of Ohio has agreed to reverse its position and go ahead with plans to construct a \$1 billion California-to-Texas oil pipeline. Energy Secretary James Schlesinger announced yesterday.

The announcement came after a meeting of Sohio executives, members of Congress and California state officials. They agreed on tentative plans that could overcome regulatory and possible legal obstacles to construction.

Sohio Chairman Alton Whitehouse said his company would resubmit its application for a permit to California's South Coast Air Quality Management Board, for one of two critical permits the company needs for the project.

While officials expressed satisfaction that the project was alive again, Mr. Schlesinger warned later at a news conference that there is no assurance the 1,000-mile pipeline will be built.

Spent \$50 million

Mr. Whitehouse announced on March 13 that the Cleveland-based oil company was abandoning its five-year campaign to build the pipeline after spending \$50 million and acquiring 700 permits. Sohio, 51-percent-owned by British Petroleum, claimed it cancelled the project because of "killing delays" from regulators in California's state government.

California Gov. Edmund Brown then lashed out at Sohio, calling it an "outrageous corporation" while his political aides suggested the company's decision was part of Alaskan North Slope producers' strategy to win approval for Alaskan oil exports or swaps.

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FINANCIAL NEWS AND NOTES

Texaco Loan to Finance Tartan Field

Texaco North Sea U.K. Co., a wholly owned subsidiary of Texaco, has arranged to borrow up to \$400 million from a consortium of U.S. and U.K. banks to finance the development of the Tartan field in the North Sea, located about 117 nautical miles north-east of Aberdeen and which produced 7,200 barrels of oil per day in a December 1974 test. Total development costs have been calculated at £250 million by Texaco. While it refuses to disclose the extent of recoverable reserves of the field, industry estimates range from 250 million to 300 million barrels of oil, which would make it one of the smaller commercial finds in the North Sea. Details about the members of the banking syndicate and the terms of the loan were not disclosed. Texaco plans to install a single drilling and production platform, which is designed to deliver 89,000 barrels of crude oil daily, natural gas liquids and 60 million standard cubic feet a day of natural gas. The company said the platform should be in operation by the first quarter of 1980 when development drilling will begin.

Hoechst Parent Pre-Tax Net Up

Noting that last year was a difficult one for the chemicals industry due to excessive production capacities, downward pressure on prices and foreign exchange problems, Hoechst reports that its parent company's pre-tax profits rose 1.03 percent to 711 million Deutsche marks despite the fact that sales were off 0.74 percent to 4.39 billion DM. Group sales, however, rose 1.04 percent to 24.15 billion DM. Production outside West Germany accounted for 8 billion DM of total turnover, an increase of 6 percent. Hoechst says the parent company's profit

improvement was partly a result of streamlining measures, with the labor force reduced 2.1 percent to 62,100 and production capacity usage up to around 77 percent from 74 percent in 1977. Parent company turnover improved in the first quarter of 1979, Hoechst notes without giving figures, but adds that the outlook is overshadowed by uncertainty on raw materials markets.

Kaiser Aluminum & Chemical Net Up

Kaiser Aluminum & Chemical expects first-quarter earnings to more than double the 60 cents a share earned in the 1978 quarter. Treasurer William Hobbs adds that 1979 earnings will "be up about one-third" over last year's \$3.58 a share (restated for a 2-for-1 stock split in November). First quarter results reflect strong aluminum demand and an unusually strong performance by its real estate operations, which recently sold some property in California for more than \$20 million, he notes. The performance by the real estate operations probably would not be matched in the remaining quarters, he adds.

BSC Unit Eyes Dutch Chemical Firm

British Steel Corp., aiming to gain a Continental base for manufacturing and marketing chemicals, is negotiating for a minority stake in Cindu-Chem, which has a chemical manufacturing plant at Uithoorn, Holland. BSC (Chemicals) Ltd., a wholly owned subsidiary of state-owned BSC with annual turnover of £80 million, says the acquisition would be a "logical extension" of its existing Continental enterprises. The BSC unit is already the second largest U.K. producer of urea and exports 20 percent of its production. No figures have been given for the proposed purchase.

Over 'Buy America' Issue

Trade Pact Threatened by Congress Unit

By Jane Seaberry

WASHINGTON, March 21 (UPI) — The chairman of a House subcommittee warned yesterday that the multinational trade treaty being negotiated in Geneva will be jeopardized unless President Carter eliminates provisions that would end earmarking special government contracts for small and minority businesses.

Rep. John LaFalce, D-N.Y., chairman of the Small Business Subcommittee, said he will ask President Carter to eliminate that

Greater Foreign Access

The new procedures are part of a long-sought provision in the multi-lateral trade agreement, which is expected to be in final form around the first week of April.

Oil Firms Seek Go-ahead For Canada Tar Oil Plant

By Dusko Doder

TORONTO, March 21 (UPI) — A consortium of eight oil companies is seeking permission from Canadian authorities to build a \$5 billion plant in western Canada to convert tar sands into oil.

The consortium includes Dome Petroleum, Hudson Bay Oil & Gas, Pacific Petroleum, Petrofina Canada Resources and Canadian subsidiaries of Gulf, Amoco, Shell and Chevron Standard.

The huge project in the province of Alberta is viewed as increasingly attractive because expected oil price increases by OPEC countries would guarantee profitability. Canada is believed to have more proven

Court Lifts Ban On U.S. Trading By Wiscope SA

WASHINGTON, March 21 (AP) — An appeals court has blocked an order by the Commodity Futures Trading Commission to ban Wiscope SA, a Swiss trading company, from trading on U.S. commodity markets.

The court said the stay of the CFTC's order will be effective "until the further order of the court," and asked for written arguments on the controversy by Friday.

The CFTC said Monday it was barring Wiscope, a unit of Guinness Peat Group of London, from trading because the company had failed to identify its coffee-trading clients and disclose the extent of their participation in the U.S. coffee futures market (IHT March 20).

There have been rumors among coffee traders that Wiscope was acting as agent for coffee-producing nations that are interested in propping up coffee prices.

According to the CFTC, Wiscope refused to supply data on the ground that it is not a U.S. company, so the commission does not have jurisdiction and that Swiss confidentiality laws barred it from disclosing customer data without customer approval.

The CFTC rejected both arguments, and barred Wiscope from trading "until the concern demonstrates its ability and willingness to comply with CFTC information-gathering rules."

Yesterday, Wiscope attorney Michael Klein charged that the CFTC has known for some time that the Swiss company is currently willing to supply customer data. He said that Wiscope is willing to comply with requests for information and that the CFTC knew of this intent before it issued the trading ban order.

Trade Pact Threatened by Congress Unit

The United States has agreed to allow foreign producers greater access to bidding on federal contracts in return for a pledge by European governments and Japan to open up more of their procurement business to U.S. exporters. The administration has pledged to relax restrictions in federal procurement policies which require key agencies to give preference to domestic firms, small businesses and minority companies.

Congressional committees are holding hearings on the proposed agreement to determine what aspects of it will be acceptable to both houses of Congress before final agreement is reached. Ultimately, Congress must accept or reject the agreement without amendment.

Mr. Strauss said the effect of the proposed treaty would be less disastrous to small and minority firms than they are perceived, and would open up foreign markets to them.

Little Expansion Capital

While small businesses would lose about \$400 million in U.S. government business to foreign companies, not \$9 billion as originally estimated, they would be eligible to compete for \$20 billion in foreign business and would benefit from the proposed pact, Mr. Strauss said.

But Rep. Parren Mitchell, D-Md., said minority and small businesses, with little capital to expand in foreign markets, will be unable to compete effectively.

Mr. Strauss conceded that at this point, provisions of the treaty affecting small and minority business "would be difficult to change."

"Before we enter into any agreement, we will be absolutely certain that the adverse impact on small and minority business will be so minimal compared to the gains that this committee will be satisfied," Mr. Strauss said.

CFP Sets Deal to Buy Crude Oil From Iran

PARIS, March 21 (Reuters) — Cie. Francaise des Petroles will purchase 7.5 million tons of Iranian crude oil annually under a long-term contract to be signed next month with National Iranian Oil Co., CFP said today.

Sources close to CFP said they expect the purchase price to be reasonable and close to that fixed by the Organization of Petroleum Exporting Countries. CFP had been drawing about 10 million tons of Iranian crude annually prior to the revolution.

Market Closed

All banks and markets were closed in Japan Wednesday because of a national holiday.

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Prices Rise On Wall St., Trade Active

Rally in Final Hour Led to Solid Gains

NEW YORK, March 21 (Reuters) — Prices on the New York Stock Exchange rallied in the final hour today to score a solid gain in active trading after showing no real trend for most of the day.

The Dow Jones industrial average rose 7.45 to 857.76 with advancing issues leading declines 847 to 577 as volume expanded to 31.12 million shares from the 27.18 million traded yesterday.

The White House press secretary, Jody Powell, said President Carter had no thought of making new anti-inflation proposals when he announces decisions on energy by the end of the month. That eased fears that the administration might be considering some type of excess profits tax.

Analysis saw no indication of any shift in Fed policy on credit tightening decisions, although today is the end of the Fed's statement week and its intentions are sometimes obscured.

One analyst said today's action was typical of a "trading market" when traders wait to see if the market will falter, and begin buying in the final hour if it does not.

The Commerce Department reported that new U.S. orders for durable goods rose a seasonally adjusted 0.3 percent in February, the 10th consecutive month.

New factory orders rose to an adjusted \$80.91 billion after rising 2.6 percent in January to a downward revised \$80.66 billion. Previously, the department reported that the January increase was 4.1 percent.

Gaming shares were big gainers. Caesars World climbed 2 1/2 to 60 1/2. Bally Manufacturing 1 1/4 to 66 1/2. Playboy 1 1/4 to 24 1/2 and Del E. Webb 1 1/4 to 23 1/2.

Chemicals advanced. Du Pont rose 2 1/4 to 138 1/2. Monsanto one to 48 1/2 and active Dow Chemical 1/2 to 28 1/2.

IBM climbed 4 1/2 to 315 1/2. Telenor 2 1/2 to 122 1/2. Eastman Kodak, which yesterday introduced some new cameras and instant film enhancements, two to 64 1/2. Smithline 1 1/4 to 92 1/2 and Boeing Co. 1 1/2 to 65.

Bucyrus Erie climbed 1/2 to 19 1/2. A block of 100,000 shares traded at 18 1/2. Volume leader EMI picked up 1/2 to three on turnover nearing 700,000 shares.

Oil shares continued under pressure. They have run into profit taking in the past two days.

Exxon slipped 1/2 to 53 1/2. It has a 10-percent oil supplies shortfall compared to the industry shortfall average of 5 to 6 percent. Texaco eased 1/4 to 26 and Atlantic Richfield 1/4 to 61 1/2.

Prices on the American Stock Exchange also rose, with the index up 1.08 to 174.1.

On the Chicago Board of Trade, wheat closed off 3 to 2 1/2 cents; corn off 1/4 to 1 1/4; oats up 1/4 to 1 1/4; and soybeans up 1/4 to 6 1/2 cents.

Trade was generally dull and dominated by orderly liquidation of the expiring March contracts. A late-session rally in soybeans came in response to rumors of Arab threats against Israel.

U.S. End-'78 Deficit Cut; Year a Record

WASHINGTON, March 21 (Reuters) — The U.S. current-account deficit narrowed in the fourth quarter to \$1.3 billion from \$3.7 billion in the third quarter, the Commerce Department said today. This made the total deficit for the year a record \$16 billion.

The current-account represents trade in both goods and services and such unilateral transfers as non-military foreign aid. The full 1978 deficit compared with a deficit of \$15.29 billion in 1977, the previous record.

The fourth-quarter figure was the lowest quarterly deficit since a surplus of \$176 million in the final 1976 quarter, a department spokesman said. The fourth-quarter trade deficit on a balance-of-payments basis fell to \$6.4 billion from \$8 billion in the third quarter, while net receipts for services rose to \$6.2 billion from \$5.6 billion.

For 1978 as a whole, the trade deficit rose to \$34.1 billion from \$31.1 billion, but this was mostly offset by a rise of \$2.7 billion to \$23.3 billion in the surplus on service transactions.

The department said there was a

steady decline in the annualized rate of the quarterly current-account deficits throughout last year. This started at \$30.3 billion in the first quarter, declined to an average rate of \$14.1 billion during the second and third quarters and fell further to \$5.4 billion during the final quarter, it said.

U.S. assets abroad increased \$27.3 billion in the fourth quarter compared with a gain of \$10.2 billion in the prior three months, while foreign assets in the United States rose \$29.3 billion against \$15.5 billion.

The increase in U.S. assets abroad largely reflected a sharp step-up in reported outflows from U.S. banks. A major factor in the gain in foreign assets here was accounted for by an increase of \$19 billion in official assets compared with an increase of only \$4.9 billion in the third quarter.

For the year, U.S. assets abroad rose \$58.7 billion compared with \$34.7 billion in 1977, while foreign assets here increased \$63.3 billion compared with a gain of \$50.9 billion in 1977. Foreign official assets in the United States rose \$34 billion, which was \$3.2 billion less than the gain reported for 1977.

Outflows for direct U.S. investments abroad increased \$3.1 billion over 1977 to \$15.4 billion, while net U.S. purchases of foreign securities declined \$2 billion to \$3.4 billion. Bank reported liabilities to private foreigners increased \$19.1 billion, compared with a gain of \$7.3 billion in 1977.

The department also reported that the dollar showed a trade-weighted depreciation of 10 percent last year against the currencies of 10 industrial countries. The figure is based on exchange rate movements between December 1977 and December 1978.

Factory Orders Up 0.3% in Feb.

WASHINGTON, March 21 (AP) — New factory orders for durable goods rose a seasonally adjusted 0.3 percent in February, the Commerce Department said today.

New factory orders rose to an adjusted \$80.91 billion after rising 2.6 percent in January to a downward revised \$80.66 billion. Previously, the department reported that the January increase was 4.1 percent.

It noted that an increase in the aircraft and parts industry offset declines in most other sectors. Excluding transportation equipment, new orders declined about 2.8 percent with the sharpest decline reported by the primary metals industry.

Orders for non-defense capital goods, considered a barometer of future plant and equipment spending, rose 4.4 percent to an adjusted \$23.1 billion following an increase of 6.4 percent in January to an adjusted \$22.12 billion.

The backlog of orders in February rose 3.2 percent to an adjusted \$245.73 billion after rising 3.3 percent in January.

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High	Low	Div. in %	P/E	High	Low	Div. in %	P/E	High	Low	Div. in %	P/E	High	Low	Div. in %	P/E
20%	27%	10%	1.10	21%	28%	11%	1.15	22%	29%	12%	1.20	23%	30%	13%	1.25
21%	29%	11%	1.20	22%	30%	12%	1.25	23%	31%	13%	1.30	24%	32%	14%	1.35
22%	30%	12%	1.25	23%	31%	13%	1.30	24%	32%	14%	1.35	25%	33%	15%	1.40
23%	31%	13%	1.30	24%	32%	14%	1.35	25%	33%	15%	1.40	26%	34%	16%	1.45
24%	32%	14%	1.35	25%	33%	15%	1.40	26%	34%	16%	1.45	27%	35%	17%	1.50
25%	33%	15%	1.40	26%	34%	16%	1.45	27%	35%	17%	1.50	28%	36%	18%	1.55
26%	34%	16%	1.45	27%	35%	17%	1.50	28%	36%	18%	1.55	29%	37%	19%	1.60
27%	35%	17%	1.50	28%	36%	18%	1.55	29%	37%	19%	1.60	30%	38%	20%	1.65
28%	36%	18%	1.55	29%	37%	19%	1.60	30%	38%	20%	1.65	31%	39%	21%	1.70
29%	37%	19%	1.60	30%	38%	20%	1.65	31%	39%	21%	1.70	32%	40%	22%	1.75
30%	38%	20%	1.65	31%	39%	21%	1.70	32%	40%	22%	1.75	33%	41%	23%	1.80
31%	39%	21%	1.70	32%	40%	22%	1.75	33%	41%	23%	1.80	34%	42%	24%	1.85
32%	40%	22%	1.75	33%	41%	23%	1.80	34%	42%	24%	1.85	35%	43%	25%	1.90
33%	41%	23%	1.80	34%	42%	24%	1.85	35%	43%	25%	1.90	36%	44%	26%	1.95
34%	42%	24%	1.85	35%	43%	25%	1.90	36%	44%	26%	1.95	37%	45%	27%	2.00
35%	43%	25%	1.90	36%	44%	26%	1.95	37%	45%	27%	2.00	38%	46%	28%	2.05
36%	44%	26%	1.95	37%	45%	27%	2.00	38%	46%	28%	2.05	39%	47%	29%	2.10
37%	45%	27%	2.00	38%	46%	28%	2.05	39%	47%	29%	2.10	40%	48%	30%	2.15
38%	46%	28%	2.05	39%	47%	29%	2.10	40%	48%	30%	2.15	41%	49%	31%	2.20
39%	47%	29%	2.10	40%	48%	30%	2.15	41%	49%	31%	2.20	42%	50%	32%	2.25
40%	48%	30%	2.15	41%	49%	31%	2.20	42%	50%	32%	2.25	43%	51%	33%	2.30
41%	49%	31%	2.20	42%	50%	32%	2.25	43%	51%	33%	2.30	44%	52%	34%	2.35
42%	50%	32%	2.25	43%	51%	33%	2.30	44%	52%	34%	2.35	45%	53%	35%	2.40
43%	51%	33%	2.30	44%	52%	34%	2.35	45%	53%	35%	2.40	46%	54%	36%	2.45
44%	52%	34%	2.35	45%	53%	35%	2.40	46%	54%	36%	2.45	47%	55%	37%	2.50
45%	53%	35%	2.40	46%	54%	36%	2.45	47%	55%	37%	2.50	48%	56%	38%	2.55
46%	54%	36%	2.45	47%	55%	37%	2.50	48%	56%	38%	2.55	49%	57%	39%	2.60
47%	55%	37%	2.50	48%	56%	38%	2.55	49%	57%	39%	2.60	50%	58%	40%	2.65
48%	56%	38%	2.55	49%	57%	39%	2.60	50%	58%	40%	2.65	51%	59%	41%	2.70
49%	57%	39%	2.60	50%	58%	40%	2.65	51%	59%	41%	2.70	52%	60%	42%	2.75
50%	58%	40%	2.65	51%	59%	41%	2.70	52%	60%	42%	2.75	53%	61%	43%	2.80
51%	59%														

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Balance sheet total 4.572 Mio.US \$ +17,6%

1977 3.889 Mio. US \$

Total deposits 4.223 Mio. US \$ + 22,7%

1977 3.441 Mio. US \$

Capital and reserves 85 Mio.US \$ + 6,4%

1977 82 Mio. US \$

Deposits with other banks 1.389 Mio. US \$ + 36,8%

1977- 1.015 Mio. US \$

Securities and treasury bills 1.083 Mio. US \$ +2,2%

1970 1.060 Mio. US \$

Total loans 1.496 Mio. US.\$ + 19,7%


1977: 1.250 Mio. US \$

Total liquidity 65.5%

1977 66.6%

1977 66,6%

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Tables include the nationwide prices up to the closing on Wall Street

[illegible]

12 Month	Stock	High	Low	Yld.	P/E	52 Wk.	Close	Chrg	Prev	12 Month	Stock	High	Low	Yld.	P/E	52 Wk.	Close	Chrg	Prev	12 Month	Stock	High	Low	Yld.	P/E	52 Wk.	Close	Chrg	Prev	
12 Month	Stock	High	Low	Yld.	P/E	52 Wk.	Close	Chrg	Prev	12 Month	Stock	High	Low	Yld.	P/E	52 Wk.	Close	Chrg	Prev	12 Month	Stock	High	Low	Yld.	P/E	52 Wk.	Close	Chrg	Prev	
21%	42%	Pacifi. a150	18	1500	45	45	45	45	45	12%	5	Sompage	40	4.1	26	9%	9%	9%	9%	18%	7%	TriCo	30	1.5	8	13%	13%	13%	13%	13%
22%	44%	Pacifi. a150	18	1500	45	45	45	45	45	12%	6	Sompage	40	4.1	26	9%	9%	9%	9%	18%	7%	TriCo	30	1.5	8	13%	13%	13%	13%	13%
23%	46%	Pacifi. a150	18	1500	45	45	45	45	45	12%	7	Sompage	40	4.1	26	9%	9%	9%	9%	18%	7%	TriCo	30	1.5	8	13%	13%	13%	13%	13%
24%	48%	Pacifi. a150	18	1500	45	45	45	45	45	12%	8	Sompage	40	4.1	26	9%	9%	9%	9%	18%	7%	TriCo	30	1.5	8	13%	13%	13%	13%	13%
25%	50%	Pacifi. a150	18	1500	45	45	45	45	45	12%	9	Sompage	40	4.1	26	9%	9%	9%	9%	18%	7%	TriCo	30	1.5	8	13%	13%	13%	13%	13%
26%	52%	Pacifi. a150	18	1500	45	45	45	45	45	12%	10	Sompage	40	4.1	26	9%	9%	9%	9%	18%	7%	TriCo	30	1.5	8	13%	13%	13%	13%	13%
27%	54%	Pacifi. a150	18	1500	45	45	45	45	45	12%	11	Sompage	40	4.1	26	9%	9%	9%	9%	18%	7%	TriCo	30	1.5	8	13%	13%	13%	13%	13%
28%	56%	Pacifi. a150	18	1500	45	45	45	45	45	12%	12	Sompage	40	4.1	26	9%	9%	9%	9%	18%	7%	TriCo	30	1.5	8	13%	13%	13%	13%	13%
29%	58%	Pacifi. a150	18	1500	45	45	45	45	45	12%	13	Sompage	40	4.1	26	9%	9%	9%	9%	18%	7%	TriCo	30	1.5	8	13%	13%	13%	13%	13%
30%	60%	Pacifi. a150	18	1500	45	45	45	45	45	12%	14	Sompage	40	4.1	26	9%	9%	9%	9%	18%	7%	TriCo	30	1.5	8	13%	13%	13%	13%	13%
31%	62%	Pacifi. a150	18	1500	45	45	45	45	45	12%	15	Sompage	40	4.1	26	9%	9%	9%	9%	18%	7%	TriCo	30	1.5	8	13%	13%	13%	13%	13%
32%	64%	Pacifi. a150	18	1500	45	45	45	45	45	12%	16	Sompage	40	4.1	26	9%	9%	9%	9%	18%	7%	TriCo	30	1.5	8	13%	13%	13%	13%	13%
33%	66%	Pacifi. a150	18	1500	45	45	45	45	45	12%	17	Sompage	40	4.1	26	9%	9%	9%	9%	18%	7%	TriCo	30	1.5	8	13%	13%	13%	13%	13%
34%	68%	Pacifi. a150	18	1500	45	45	45	45	45	12%	18	Sompage	40	4.1	26	9%	9%	9%	9%	18%	7%	TriCo	30	1.5	8	13%	13%	13%	13%	13%
35%	70%	Pacifi. a150	18	1500	45	45	45	45	45	12%	19	Sompage	40	4.1	26	9%	9%	9%	9%	18%	7%	TriCo	30	1.5	8	13%	13%	13%	13%	13%
36%	72%	Pacifi. a150	18	1500	45	45	45	45	45	12%	20	Sompage	40	4.1	26	9%	9%	9%	9%	18%	7%	TriCo	30	1.5	8	13%	13%	13%	13%	13%
37%	74%	Pacifi. a150	18	150																										

[illegible]

Meeting Canceled

IOC Drops Effort For China Talks

AUSANNE, Switzerland, March 21 — A fresh effort to solve the problem of Chinese participation in the Olympic Games was dropped today following Taiwan's refusal to join representatives of the People's Republic of China at a meeting scheduled here last week with Lord Killanin, president of the International Olympic Committee.

A telegram to the Republic of China Olympic Committee in Taipei, Lord Killanin said the meeting scheduled for Tuesday was canceled "as you do not agree to meeting."

Killanin was replying to a telegram from Shen Chia-ming, president of the Republic of China Olympic Committee, who said his committee would hold preliminary discussions with Killanin "alone on the basis of other related arrangements, and any further talks will be in depend on the results of the preliminary discussions."

Informing the Taiwanese the meeting would now be called off, Killanin said: "It was agreed by the executive board that representatives from Taipei and Peking would meet jointly with me. I regret that you do not find this possible. Therefore, the meeting for March 27 in Lausanne is canceled as you do not agree to the joint meeting."

I will inform the executive board and Peking accordingly and will to the session and executive board in Moscow where you have been seen if you desire. If the IOC is scheduled to debate the possibility of China's rejoining Olympic movement at its April

SESSION in the Uruguayan capital, China formally withdrew from the IOC in 1958 after refusing to participate in the 1952 games because of IOC recognition of both the Nationalist Chinese who fled to Taiwan in 1949 after the Communists came to power on the mainland.

Peking subsequently demanded that Taiwan be ousted as a condition for the mainland's return to the Olympic movement. But in a formal application for readmission presented to a meeting earlier this month of the IOC executive board meeting, Peking said for the first time it was prepared to have discussions with representatives of the Olympic Committee in Taiwan.

Reporting this, Lord Killanin also said that Taiwan agreed in meetings last fall with IOC representatives, to meet with Peking to discuss the Chinese representation.



Julio Valdez, a rookie shortstop with the Boston Red Sox, goes high in the air to complete a double play against the Cincinnati Reds. After the game, Valdez was dropped from the Boston roster and sent to the farm club at Pawtucket.

Gone Fishing in the Everglades

By Red Smith
EVERGLADES CITY, Fla., March 21 (NYT) — Captain Dennis Hancock is 55 and this would be his 40th season as a fishing guide if he hadn't frittered away five years with the Navy in the South Pacific. By now it comes natural to him to talk like a fishing guide, but he waited the better part of an hour before giving his new sports the treatment.

The sports — Morris McLemore, a Georgia cracker who has put down roots in Miami, and a small Yankee companion — were half an hour late arriving at dockside. Getting McLemore into motion in the morning is not the same thing as launching an aircraft carrier but the difference is negligible.

"You're starting out," Hancock said cheerfully at 8:30 a.m., "about the time we should be coming back." Having remarked on the hour, he also remarked on the date, which he said was about a month too early. "If I could afford it," he said, "I'd just put the boat up for March. We're trying the impossible today."

day before yesterday," he said. "Hate to catch them that way."

"What way is that?"

"He hit the bait close to the boat," Dennis said, "and his first jump took him right there." He indicated the cockpit forward. He said a 30-pound tarpon isn't happy in a 19-foot boat.

"He threw the hook when he came aboard, so he was loose. It was 10 minutes before I could get to him. What a mess! I had to take that mess and swim a path to him."

"There are fish around here," a passenger said. "At least there was one." He pointed to a fish hawk overhead with dinner in its talons.

Too Brisk for Fishes

Dennis found a lee shore and rigged two spinning rods, a dark diving plug for Big Mac, a red-headed white float for the Yankee, Mac had brought his Fenwick flyrod for his companion but in that wind a streamer fly would have been unsafe in any hands. The anglers aimed their plugs for the shoreline. The Yankee threw most of his straight up or smartly down beside the boat. Mac cast for distance; there's no telling how far his shots would have gone if the woods hadn't intervened. A pair of raccoons watched, masked bandits crouching under the mangroves.

Dennis watched, too. "When I was young," he said, "I wanted to bring back more fish than the other guides and if I had bad fishermen I'd get sore. I'd yell at them and nobody would have any fun."

As the poet says, Time, that ancient nurse, has rocked him into patience.

They kept moving, searching. When Dennis found a shoreline with some protection from the wind he would shut off the motor and roll slowly, keeping at casting distance from the mangroves. On the point of a small island, another raccoon foraged. At length they entered a channel where the surface was almost glassy. The water was dark and clear here, unlike the murky chop outside.

After meditation and prayer, the Yankee dropped his plug into a gap in the mangroves. He twitched the rod tip once and a fish was on. "A snook!" Hancock said. "Not a keeper but a snook." The fish was young and naive and overmatched. He was released with a sore face.

If, the Eternal If

"That was a good cast," the guide said, "and you were rewarded. If you could do that 95 percent of the time you'd take fish." If Pete Rose could hit safely 95 percent of the time he would bat .950. This is called Blind Bay. Dennis said, "Here we've got a lee and fish, too. Look at that big possum under those trees."

Hours rolled by. The Yankee caught and released another snook, larger than the first but still a junior. Showing splendid reflexes, he snatched the lure away from two others, one of which struck twice in quick succession. Then something swift and white hit his plug at right angles. He brought in a jack crevalle the size of "Toby Cobb's glove."

Getting the Bottom

"I'm playing for the minimum," Todd said.

The minor-league minimum is \$21,000. In the shuffle, Todd lost at least \$50,000 and possibly \$79,000 — money he hopes to recoup in his grievance case. But for a change, Charles O. Finley, the A's owner, is certainly as slippery as the Seattle miss.

Now he has filed a labor grievance against the Mariners in the case, which, if not dishonorable, is certainly as slippery as the Seattle miss.

IBA Standings

EASTERN CONFERENCE			
Atlantic Division			
Washington	W	L	Pct.
Philadelphia	38	22	.631
Pittsburgh	37	23	.617
New York	37	24	.607
Baltimore	36	25	.590
Central Division			
St. Louis	W	L	Pct.
Chicago	41	20	.677
Minnesota	39	22	.639
San Francisco	38	23	.619
Los Angeles	37	24	.607
WESTERN CONFERENCE			
Midwest Division			
St. Paul	W	L	Pct.
Seattle	40	21	.658
Portland	39	22	.639
San Diego	38	23	.619
San Jose	37	24	.607
Pacific Division			
Los Angeles	W	L	Pct.
San Francisco	41	20	.677
San Diego	39	22	.639
San Jose	38	23	.619
Portland	37	24	.607

NHL Standings

CANADIAN CONFERENCE			
Patrick Division			
Montreal	W	L	Pct.
Quebec	41	20	.677
Ottawa	39	22	.639
St. Louis	38	23	.619
San Francisco	37	24	.607
Smythe Division			
Edmonton	W	L	Pct.
Calgary	40	21	.658
Winnipeg	39	22	.639
Manitoba	38	23	.619
Los Angeles	37	24	.607
Wales Conference			
Norris Division			
Chicago	W	L	Pct.
St. Louis	41	20	.677
San Francisco	39	22	.639
San Jose	38	23	.619
Portland	37	24	.607
Adams Division			
St. Paul	W	L	Pct.
Seattle	40	21	.658
Portland	39	22	.639
San Diego	38	23	.619
San Jose	37	24	.607

WHA Standings

WHL Standings			
San Jose	W	L	Pct.
San Francisco	41	20	.677
San Diego	39	22	.639
San Jose	38	23	.619
Portland	37	24	.607

DePaul's Coach Makes the Four, Finally

CHICAGO, March 21 (UPI) — A cold, snowy day in mid-February, Ray Meyer was chatting with DePaul supporters and Chicagoans about the future of the Blue Demons' basketball coach, who just been told of his firing from the Basketball Hall of Fame and the talk got around to when he would retire.

The major goal I have never accomplished is reaching the Final Four, Meyer said. "Once I do, then I can start to think about retirement."

The final Four at DePaul, including the Blue Demons' basketball coach, had just been told of his firing from the Basketball Hall of Fame and the talk got around to when he would retire.

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The final Four at DePaul, including the Blue Demons' basketball coach, had just been told of his firing from the Basketball Hall of Fame and the talk got around to when he would retire.

Regional and he concentrated on recruiting two or three prep All-Americans.

The limelight will fall on Meyer this weekend in Salt Lake City. His accomplishments, known to most DePaul fans and students of college basketball history, will finally receive national attention.

Since he entered coaching after he was an All-American guard at Notre Dame, Meyer has earned all most every accolade in college basketball except an NCAA championship.

In 37 years as coach at DePaul in Chicago, his teams have been under 500 only five times, earning 598 games. But never the Final Four. In 1943, his team finished in a tie for third but Meyer discounts that because of the difference in the tournament structure.

One of Meyer's most vocal supporters is Notre Dame's coach, Digger Phelps.

"This man deserves to be coach of the year. If he doesn't get it, it will be simply politics," Phelps said. "He has been one of the top coaches in the country for many years and is still one of the best."

This year's coaching job may be his best.

DePaul was crushed in its season opener against UCLA by 23 points but was building momentum until a star freshman, Mark Aguirre, was late for a practice. Meyer kept Aguirre out of the starting lineup at Western Michigan, and the Demons lost a game that at the time might have cost them a chance at an NCAA bid.

"I have a philosophy in coaching, and that is you have the same rules for everyone," Meyer said. "At the beginning of the year, I knew Mark would be getting a lot of the attention, and I couldn't allow him to get away with that because if I had, other players would be questioning that if he could get away with things, so could they."

David Stable in Coma

BURLINGTON, Vt., March 21 (UPI) — Leonardo David, the Italian skier, was listed in stable condition today in the neurosurgery wing of Burlington's Medical Center Hospital. 18 days after he was injured in a World Cup skiing race. The 18-year-old skier remains in a coma.

Exhibition Baseball

Houston 4, Montreal 1
Kansas City 9, Atlanta 2
St. Louis 7, Toronto 2
Boston 4, Cincinnati 3
Detroit 2, Chicago 1
Los Angeles 15, New York 1
San Francisco 4, San Diego 4
New York 1, Philadelphia 1
Baltimore 4, Philadelphia 1

Among Baseball's 300 Rookies at Training Camps

Already Some Early Bloomers of Spring

By Joseph Durso
ST. PETERSBURG, Fla., March 21 (NYT) — In the old days they arrived at spring training with no contract, no money and no great shot at a job, and they even had to claw their way into the batting cage to take a few swings. They were called "rube" or "busher," and one of them 65 years ago was called "the Babe," because he was general manager Jack Dunn's baby on the old Baltimore Orioles.

Even when they arrived with money, they kept a low profile on the landscape of professional baseball. To Whitey Ford, one spring past his own debut with the New York Yankees, this is how Mickey Mantle looked when he checked into camp in 1951:

"He was a real country boy, all shy and embarrassed when he arrived with a straw suitcase, two pair of socks and one blue sports jacket that probably cost about \$8 in a store in Commerce, Okla."

They were, in a word, rookies.

Still the One Goal

This spring training about 300 of them arrived, among the 1,200 players struggling for the 650 jobs on the 26 teams in the two major leagues. Most came with contracts, many with agents and a few with \$100,000 bonuses. But all of them came with the same goal: employment on the big team.

To make it they will have to survive the endowments that have already begun and that will continue until the regular season opens, in two weeks.

Some rookies this spring look exceptionally good, and some have exceptional opportunities. Three of them could open the season as first-string shortstops in the American League: Nelson Norman of the Texas Rangers, Alfredo Griffin of the Toronto Blue Jays and Harry Chappas of the Chicago White Sox. Another infielder, Ron Oester, could crack the formidable starting eight of the Cincinnati Reds.

But the most interesting struggle in all the camps may involve two promising young catchers with the

Five-Team Lottery

Then there is Bill Bordley, the left-handed pitcher from the University of Southern California who is trying to make it with the San Francisco Giants. There is some doubt that he will, but Bordley still ranks as a financial phenomenon. He got a \$100,000 bonus for signing after the Giants had won a five-team lottery ordered by the commissioner of baseball, Bowie Kuhn.

According to baseball scouts, managers and players, the following are the best of the bunch, the most likely to succeed among the bushers of 1979:

Gary Allenson, Boston Red Sox. He is a 24-year-old catcher from Culver City, Calif., who bats and throws right-handed and who won the International League's MVP award tucked away, has become one of the year's most touted rookies.

one short summer at Lakeland in the Florida State League. However, in 54 games as a pro, he hit seven home runs, knocked in 40 runs and stole 13 bases in a row after having been thrown out the first time he tried.

Dan Norman, New York Mets. In their desperation to rebuild their team and their public, the Mets are searching for new faces and new power. The Central Scouting Bureau of the major leagues says they have more good young prospects than anybody else except maybe the Cleveland Indians. And the most promising are Butch Benton, a catcher; Kevin Chapman, a second baseman; and Daniel Edmund Norman, who could become the regular right fielder.

Norman is a 24-year-old 200-pounder from Los Angeles who seemed trapped in the Cincinnati Reds' farm system until the Mets acquired him two years ago in the trade for Tom Seaver.

"His style is crude," says Manager Joe Torre, "but he has strength and control." And a job, if he takes it.

Mike O'Brien, Boston Red Sox. One of the kids is Allenson. The one is Preston Michael O'Brien, born 24 years ago in Birmingham.

He is tall and lean, at 6 feet 2 inches and 160 pounds, and the reports credit him with the ultimate assets of a shortstop: "fine range, excellent hands, a strong arm."

Bill Sample, Texas Rangers. On a changing team that already includes Nelson Norman and Mike Heath among its rookie stars, Sample ranks as one of the brightest prospects of all. He is a 24-year-old outfielder from Roanoke, Va., who in two and a half years in the minor leagues has convinced people that he can do one thing with distinction: hit.

In his first summer as a professional he led the Florida Gulf Coast League with a .362 average and stole 27 bases in 48 games. A year later, at Tulsa of the Texas League, he hit .348 and stole 26 bases. One year after that he graduated in Tucson and kept on hitting. He finished with an average of .352, 18 home runs and 20 stolen bases, and his 141 runs scored broke the league record by 20.

Kirk Gibson, Detroit Tigers. As a flanker back at Michigan State, he played four seasons of football, earned all-America honors and set school records by catching 122 passes for 2,347 yards and 24 touchdowns. He was so busy that he played only one season of baseball as an undergraduate. So why did he skip pro football and sign with the Tigers?

Because, for one thing, they gave him a bonus of more than \$125,000.

He is a 215-pound left-hander from Pontiac, Mich., and the scouts say "he is the glamour boy of the rookies with that big money." But he is also inexperienced, with only

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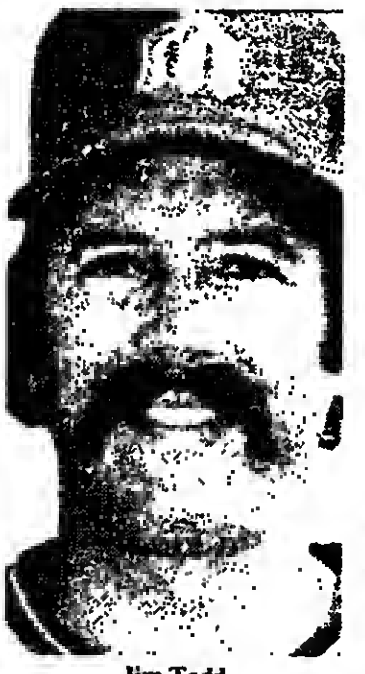
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he. It's just another case of a player being discharged by a club for exercising a right in the basic agreement.

What's also disturbing is that according to the owners' official line, all this is a coincidence. They make no attempt to come down on the Seattle club for ignoring ordinary decency.

"Now the owners are going to say again that the players are ruining baseball, that the players want to run the front office. But the real trouble is that the owners will take no responsibility for the other owners. They do nothing. Some people like to say that baseball owners are operating in the last century. Wrong — they are two centuries back."

Transactions

BASEBALL

AMERICAN LEAGUE

BOSTON RED SOX — Sent Bobby Saville, Steve Schrock, Burke Suter and Vin Mazzaro, pitchers; Glenn Hoffman and Julio Valdez, infielders; to Providence of the International League.

CALIFORNIA ANGELS — Sent Bob Slater, infielder; Stan Chalmers, Brian Harper and Mark Neccola, pitchers; Dennis Gribble, outfielder; Ralph Bertling, Joe Crisler, Mike Horton, Charlie Phillips, Dave Shuck and Dick Polyz, pitchers, to their minor league camp for reassignment.

CHICAGO WHITE SOX — Sent Fred Howard and Larned Hurt, pitchers; A.J. Hill and Dave Wells, infielders, to their minor league camp for reassignment.

MILWAUKEE BREWERS — Traded Jack Heldmann, infielder, to the Seattle Mariners' Spokane team of the Pacific Coast League, for a player to be named later.

SEATTLE MARINERS — Acquired Larry Cox, catcher, from the Chicago Cubs for Luis Detonio, outfielder.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

CLEVELAND BROWNS — Traded Barry Darrow, offensive tackle, to the New Orleans Saints for an undrafted 1980 draft choice.

CANADIAN FOOTBALL LEAGUE

MONTREAL ALOUETTES — Signed Joe Scanlon, head coach, to a contract extension through 1981.



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U.S. Advances

ARIS, March 21 (Reuters) — Miss Monchengladbach defeated Manchester City, 3-1, in a FA Cup soccer match last night. West Germany advanced to semifinals on a 4-2 aggregate.

